

ANNUAL REPORT 2020



For the fiscal year ended December 31, 2020
The Corporation of the Town of Pelham
Ontario, Canada



2020

The Corporation of the Town of Pelham

ANNUAL REPORT

For the fiscal year ended December 31, 2020

This report was prepared by:

The Corporate Services Department of the Town of Pelham

Town of Pelham

Ontario, Canada



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INTRODUCTION

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 - Senior Leadership Team
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GREETINGS FROM

THE MAYOR AND CHIEF ADMINISTRATIVE OFFICER

On behalf of Council and staff of the Corporation of the Town of Pelham, we are pleased to present the Town's 2020 Annual Financial Report. This report provides details about the Town's financial performance and accomplishments in the past year.

The past year was a challenge. Navigating a global pandemic is a unique circumstance and one we hopefully won't need to repeat. Town staff worked diligently throughout the pandemic to minimize the impact COVID-19 had on the Pelham community. The senior leadership team spearheaded the Town's Framework for Reopening during the COVID-19 pandemic which was recognized with a platinum award by the Association of Marketing and Communications Professionals. The framework was the envy of the Region, outlining the many ways the Town of Pelham focused its resources on keeping staff and residents safe when engaging in community activities permissible by the local public health unit.

Financially, as many local businesses were required to reduce capacity, alter service levels, or close completely, the Town worked with the local business community. Whether it was permitting additional space in parking lots for pop-up patios or lobbying the provincial government for funding that would alleviate pressures on the operating and capital budgets, Pelham moved in lockstep with its community through the ups and downs.

Unexpectedly Pelham ran a by-election during the pandemic, which was precedent-setting. Staff in the Clerk's department conducted a safe by-election, bringing out more voters in the 2020 by-election than in the previous 2011 by-election - not held during a pandemic. The safety precautions and related communications put voters at ease that their voting experience would be safe and effective. The by-election was a success by every standard and was featured in Municipal World magazine in January 2021.

No one will forget 2020, but as we look back on the Town's accomplishments in the most uncertain of times, it is evident that Pelham was a regional leader.

We are proud of the work done in 2020 and the many goals accomplished. In the 2019 annual report, we wrote that we were eager to face tomorrow's challenges, not knowing just what was ahead of us. Having gone through the past 12 months, we can confidently say we met those challenges, and the community can be proud of the place they choose to live, work, and play.

Sincerely,

Marvin Junkin
Mayor

David Cribbs
CAO

Dated: May 17, 2021



Marvin Junkin, Mayor



David Cribbs, CAO

Awards



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**The Corporation of the Town of Pelham
Ontario**

For its Annual
Financial Report
for the Year Ended

December 31, 2019

Christopher P. Morill
Executive Director/CEO

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Town of Pelham for its annual financial report for the fiscal year ended December 31, 2019. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are (will be) submitting it to GFOA to determine its eligibility for another award.

The Town is proud of its staff, projects, and festivals that received recognition for their excellence in delivery, usability, and innovation. Strategic priorities have been transformed into award-winning projects and events, including: **MarCom Platinum** (Framework for Reopening during COVID-19), **MarCom Platinum** (Individual Achievement, Strategic Communications), **MarcCom Gold** (2019 Annual Report) and **Festivals and Events Ontario Top 100** (Canada Day the Niagara Way, Christmas in Pelham).



FEO

Canada Day the Niagara Way
Christmas in Pelham



MarCom

Framework for Reopening
Platinum Award



MarCom

Individual Achievement
Strategic communications
Platinum Award



MarCom

Annual Report
Gold Award

LEGISLATIVE AUTHORITY

The Corporation of the Town of Pelham is one of twelve municipalities in the Niagara Region. Pelham Township was part of the original Lincoln County since the late 1780s. The Town of Pelham was established in 1970, unifying five historical communities: Fonthill, Ridgeville, Effingham, North Pelham and Fenwick into a single town covering 126.42 square kilometres. This integration brought together a mix of farming and growing commercialism.

The Town is represented by a Mayor and six Councillors from three wards.

The Chief Administrative Officer (CAO) is appointed by Council to oversee the management and operation of the corporation. As the municipality's top administrative position, the CAO advises Council and staff on all municipal programs and services.



PELHAM TOWN COUNCIL



Mayor Marvin Junkin



**Ward One Councillor
Marianne Stewart**



**Ward One Councillor
Wayne Olson**



**Ward Two Councillor
Ron Kore**



**Ward Two Councillor
John Wink**



**Ward Three Councillor
Llsa Haun**



**Ward Three Councillor
Bob Hildebrandt**

SENIOR LEADERSHIP TEAM



DAVID CRIBBS
CHIEF ADMINISTRATIVE OFFICER



NANCY BOZZATO
CLERK



BOB LYMBURNER
FIRE CHIEF AND DIRECTOR OF
BY-LAW SERVICES



JASON MARR
DIRECTOR, PUBLIC WORKS



TERESA QUINLIN
DIRECTOR, CORPORATE SERVICES
AND TREASURER



VICKIE VANRAVENSWAAY
DIRECTOR, RECREATION, CULTURE,
AND WELLNESS



BARBARA WIENS
DIRECTOR, COMMUNITY PLANNING
AND DEVELOPMENT

The Senior Leadership Team consists of the CAO and six Directors who are responsible for implementing the direction set out by Town Council, including the provision of high quality community-focused services and overall leadership to the organization. They administer the Town's operating and capital budgets and are responsible for implementing the goals and objectives outlined in the Town's Strategic Plan.

*As of December 31, 2020

ORGANIZATIONAL CHART

Mayor and Council

David Cribbs, BA, MA, JD, MPA
Chief Administrative Officer (CAO)

RESPONSIBILITIES
Chief Advisor to Council
Community Engagement
Human Resources
Leadership to Town Staff
Legal Services
Organizational Culture and Leadership

Nancy Bozzato, Dipl.M.M.
Town Clerk

RESPONSIBILITIES
Committee of Adjustment
Freedom of Information
Lottery and Licences
Communications
Marriage Licences
Municipal Elections
Records Management
Vital Statistics

Bob Lymburner
Fire Chief & Director of
By-Law Services

RESPONSIBILITIES
Animal Control
Community Emergency
Management Coordinator
Crossing Guards
Fire Prevention
Fire Suppression
Health and Safety
Parking & By-law
Enforcement

Jason Marr, P.Eng
Director of Public Works

RESPONSIBILITIES
Beautification
Capital Infrastructure
Cemeteries
Engineering
Operations
Facilities Maintenance
Fleet
Roadway Maintenance
Water & Wastewater

Teresa Quinlin, MBA, CPA, CA
Director of Corporate Services
and Treasurer

RESPONSIBILITIES
Debt and Capital Financing
Financial Reporting
Information Technology
Operating and Capital Budgets
Procurement
Shared Administration
Taxation
Utility Billing

Vickie vanRavenswaay, CRFP
Director of Recreation,
Culture, and Wellness

RESPONSIBILITIES
Culture and Community
Enhancement
Meridian Community Centre
Public Transit
Recreation & Wellness
Programming
Special Events & Festivals
Swim and Youth Programs

Barbara Wiens, MCIP, RPP
Director of Community
Planning and Development

RESPONSIBILITIES
Building Services
Development Review
Heritage Planning
Land Use Policy
Development & Compliance
Municipal Drainage
Zoning Implementation

ABOUT PELHAM

Vision

Working together with the community to strengthen trust, enhance the quality of life and economic well-being for today and for the future.

Values

Our Values are important to all of us, as Council and as Town staff. They define our behaviours and strengthen our culture. We demonstrate leadership and commitment through our values.

Honesty: We tell the truth, we have integrity and we are sincere.

Caring: We are thoughtful, helpful and have concern for our community, each other and our work.

Respect: We value our interactions, we are polite, courteous and considerate.

Transparency: We ensure it is easy for others to see what decisions we make and what we do.

Trustworthiness: We are responsible, reliable and dependable.

Teamwork: We work collaboratively and together will achieve our Vision and Priorities.

Strategic Priorities

Support a strong organization

Enhance financial sustainability

Enhance communication and engagement

Build strong communities and cultural assets

Develop a risk management framework to prioritize decisions

Grow revenue by promoting cultural assets while protecting environmental assets

2020 Strategic Priorities

#	Priorities	Status
1	New Zoning By-law	Work in Progress
2	Short-Term Rental Policy	Completed
3	Negotiate a collective agreement	Completed
4	Pass by-laws for cannabis	Completed. By-laws under appeal.
5	Invasive Species Policy and Plan	Completed
6	Future of Library	Deferred due to COVID-19
7	Renew and enhance PSR system	Deferred due to COVID-19
8	Proactive communication protocol	Completed
9	Parking initiatives and masterplan + MCC parking strategy	Consultant study underway
10	By-law Enforcement Policy	Deferred due to COVID-19
11	Succession plan	Completed in Feb 2021
12	Heritage Advisory Committee	Completed
13	Whistleblower protection	Completed
14	Capital Asset Management Plan	To be completed in 2021
15	Delegation of Authority By-law	Completed
16	Review/expand AMPs	Completed
17	Update Purchasing Policy; changes re: purchasing/procurement	Deferred due to COVID-19
18	Joint initiatives – purchasing, building, drainage, legal	Completed
19	New Procedural By-law	Completed
20	Sign by-law	Completed
21	Traffic calming and safety measures	Completed
22	Climate change best practice; community education	Deferred due to COVID-19
23	Compensation/performance management and staff recognition	Deferred due to COVID-19
24	Grants	Significant number of grants applied (23)
25	Future of Pelham transit	Pilot project with Niagara Region
26	East Fenwick Secondary Plan	Awaiting input from developer group
27	By-law upgrades and introductions	Completed
28	Introduce mass notification system	Waiting for Niagara Region
29	Voice activation for customer service	Completed
30	Risk management framework	Deferred due to COVID-19

Chief Administrative Office Highlights



The Town of Pelham Chief Administrative Office is focused on...

Leading Town staff and serving as chief advisor to Council.

Services Provided:

- Human Resources
- Legal Services
- Community Engagement
- Organizational Culture and Leadership
- Chief Advisor to Council

Priorities/Statistics from 2020:

- Negotiated the Town's first Collective Agreement with Public Works staff
- Recruited Town Solicitor as a shared service with two other municipalities

Achievements from 2020:

- Developed succession plan for the Town
- Completed delegation of authority by-law
- Developed Whistleblower Protection policy
- Engaged new benefits provider with cost savings

Clerk's Department Highlights



The Town of Pelham Clerks Department is focused on...

Scheduling Council and General Committee meetings, preparing and circulating agendas and related material, and preparing by-laws and resolutions. The Clerks department strives to help residents navigate by-laws, corporate reports, municipal elections, and Council and Committee meeting agendas and minutes.

Services Provided:

- Civil marriage ceremonies
- Lottery licensing
- Commissioner for taking affidavits
- Facilitate Council and public meetings, including the intake of delegation requests
- Facilitate Committee of Adjustment applications
- Issue licenses and permits (patio, short-term rentals, etc.)
- Deliver the municipal election/ by-elections to the electorate
- Marketing, Communications, Public Relations, and Community engagement
- Digital and print asset creation

Priorities/Statistics from 2020:

- Municipal by-election (enhancing public safety with various new procedures etc.)
- Despite COVID-19, one of the few municipalities offering civil ceremonies in a safe and controlled environment
- Provided electronic Council and Committee meetings (with emphasis on providing public participation)
- On-going communication regarding COVID-19 and business continuity

Achievements from 2020:

- 2020 by-election
- Smooth transition to virtual meetings
- *Municipal World* article on 2020 by-election
- COVID-19 framework for re-opening (Platinum – MarCom Awards)
- Individual Achievement in Communications (Platinum – MarCom Awards)

Community Planning and Development Highlights



The Town of Pelham Community Planning and Development Department is focused on...

Enhancing the quality of life in Pelham through the provision of development review and compliance functions, building services review and approvals, land use policy development and implementation, zoning by-law review and implementation, heritage planning and municipal drainage.

Services Provided:

- Development review functions for site plans, plans of subdivisions/condominium, official plan and zoning by-law amendments, consents and minor variance applications, heritage permit applications
- Building permit review functions for all types of construction and demolition, i.e. residential, commercial, industrial, institutional, agricultural, etc.
- Policy review and development for compliance with provincial and regional plans and policies
- Municipal drain maintenance

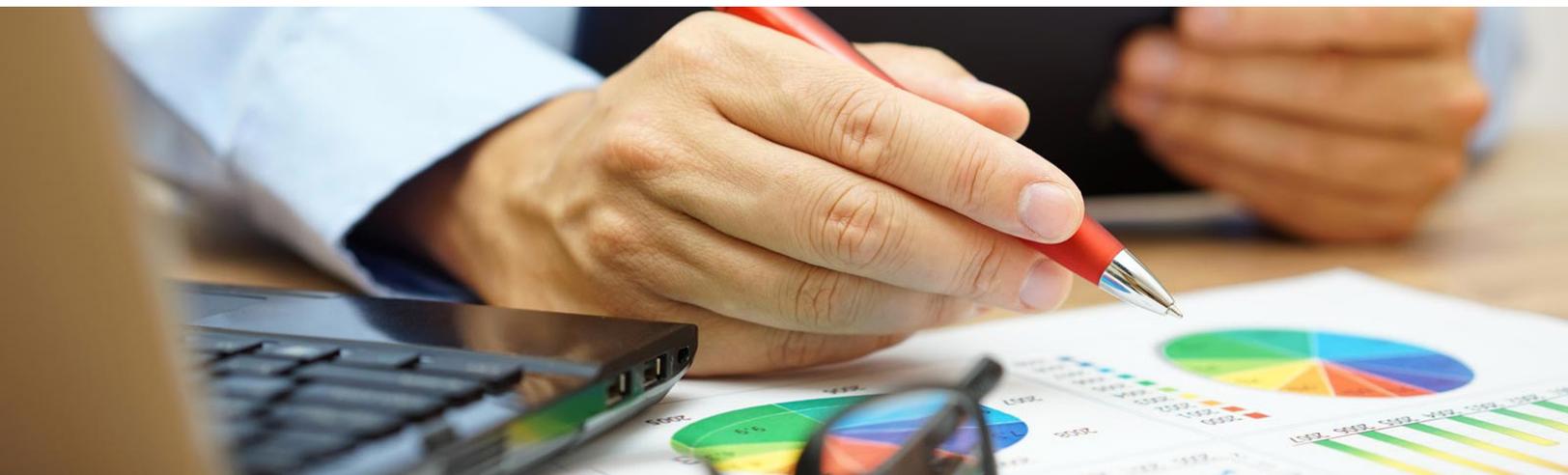
Priorities/Statistics from 2020:

- 284 Building permits issued
- \$60,542,013 value in new construction
- Initiated review of Zoning by-law
- Initiated Comprehensive Parking Strategy

Achievements in 2020:

- Short-term rental policies, regulations and licencing provisions and implementation
- Cannabis Land Use report
- Conversion to electronic application submission for all types of applications
- Allow for temporary exemption of parking requirements for restaurant patios during the pandemic
- Maintain delivery of services during the pandemic

Corporate Services Highlights



The Town of Pelham Corporate Services Department is focused on...

Maintaining the financial strength of the municipality by providing transparent, timely financial reporting. The department oversees the information systems used by staff and Council and administers the procurement process for goods and services purchased by the municipality.

Services Provided:

- Preparation of the annual operating, capital and water and wastewater budgets
- All financial reporting to Council, departments, governments, and other external agencies
- Long-term capital forecasting along with debt and reserve forecasting
- Information technology services and procurement services
- Property tax, utility (water and wastewater), and drainage billings
- Grant applications and reporting
- Maintain the asset management plan
- Invoice and payroll processing
- Customer service front-line requests: payments, switchboard, recycle bins

Priorities/Statistics from 2020:

- Implementation of Qwestica budget software system
- Increased reporting to Council and the province regarding COVID-19
- Due to the pandemic, IT quickly provided support to staff who needed to work remotely and accommodated the needs of Public Health staff for the vaccination centre
- Implemented an IP cloud-based softphone client app that allowed staff who were working remotely the ability to answer, transfer and make outbound calls from their laptop
- DSS (Document Signing Service) was implemented
- Four (4) traffic counter cameras installed at the MCC
- IT facilitated the transition from in person council meetings to a live streaming platform

Achievements from 2020:

- Received 18 grants totalling \$2.6 million, including \$1.3 million of Safe Restart Phase 2 funding
- The 2019 Annual Report received two awards: MarCom Award for communications (Gold) and GFOA Canadian Award for Financial Reporting
- Financial Information Return was submitted prior to the due date for third consecutive year

Fire and Bylaw Services Highlights



The Town of Pelham Fire Services Department is focused on...

Providing emergency services such as fire suppression, rescue, medical assistance, public assistance, fire inspection, fire prevention, fire education. The fire department provides services 24/7 and during this pandemic services have not been reduced.

Services Provided:

- Emergency response
- Fire prevention and smoke alarm programs
- Inspections, permits, investigations
- Co-op participation with our high schools
- Education and kids camp programs
- Community Emergency Management Coordinator and Emergency Operations Centre (EOC) operating out of Station One.
- Parking enforcement and bylaw public education
- Cannabis odour monitoring
- Violations collection, pool permit, sign permit, and importing of fill management

Priorities/Statistics from 2020:

- Maintain training of fire fighters
- Continue recruit training to assist in their NFPA certifications
- Maintain a full-service response to all incidents during the pandemic
- Issued 143 open-air burn permits
- Issued 108 parking violations
- Issued 50 pool permits, 50 sign permits
- Managed COVID-19-related issues: 69 complaints, 17 formal warnings, 315 inspections

Achievements from 2020:

- During COVID-19, training of staff has remained in place
- Operating the Town's EOC for 10 months
- Hired a recruit class of 15
- Upgraded 11 public access Automatic external defibrillators in eight different town locations

Public Works Highlights



The Town of Pelham Public Works Department is focused on...

Four main business units: Roads; Winter Control; Beautification; and Water/Wastewater services. The department is responsible for maintaining a safe and reliable road transportation network, maintaining and providing services to our parks and cultural assets, managing our municipal cemeteries, supplying clean and safe drinking water and providing wastewater services to the residents of the Town of Pelham.

Services Provided:

- Road and winter maintenance
- Engineering and construction services
- Tree canopy maintenance
- Grass cutting and roadside mowing
- Parks and trail maintenance
- Beautification services
- Cemetery management and property maintenance
- Distribution of clean drinking water
- Safe and efficient collection of waste water

Priorities/Statistics from 2020:

- Despite COVID-19 the department was able to deliver \$4.8M in capital projects.
- Operationally performed activities with efficiency to ensure the highest level of service was provided with respect to Road Maintenance, Parks and Trail maintenance, Cemetery Operation, and Water and Wastewater supply and collection.

Achievements from 2020:

- Delivery of a \$4.8M Capital Budget
- Implementation of a Successful Gypsy Moth Policy and Spray Program
- Received a 100 per cent rating from the Ministry of the Environment, Conservation and Parks for the 2020 Distribution System Regulatory Inspection Audit and zero non-conformances in both internal and external Drinking Water Quality Management Standard audits
- Worked diligently to reduce expenditures across multiple divisional operating budgets

Recreation, Culture, & Wellness Highlights



The Town of Pelham Recreation, Culture, & Wellness Department is focused on...

Recreation facility operations; enhancing the quality of life for all residents and visitors through programs, activities, and festivals & events.

Services Provided:

- Skating, and fitness services
- Senior Active Living Centre and Active Living lounge
- Facility rentals – parks, halls, ice, gymnasiums, rink pads, etc.
- Health and recreation programs
- Youth programs
- Aquatics and Camps
- Events: Canada Day Celebrations, Christmas in Pelham, Family Day activities
- Pelham Farmers Market
- Pelham Transit - NRT OnDemand launched

Priorities/Statistics from 2020:

- Despite COVID-19 offered virtual Canada Day celebrations
- Despite COVID-19 put on the Santa Claus parade
- Connected coffee house – Culture Days
- Virtual/digital Halloween activities
- Virtual/digital Christmas in Pelham activities
- 500 youth participating in summer camps and programs
- Hosted a new senior's social
- Re-introduced the community guide

Achievements from 2020:

- Recognized for safe Meridian Community Centre reopening plan
- Festivals & Events Ontario – Achievement Award – “Canada Day Niagara Way”
- Festivals & Events Ontario – Achievement Award – “Christmas In Pelham”
- Ontario Recreation Facilities Association – Facility Focus – Meridian Community Centre

PELHAM QUICK FACTS

Nestled in the heart of Niagara you will find the Town of Pelham, a fusion of rural and urban areas offering unique lifestyles rich with history, agriculture, and commercial industries. As one of 12 municipalities in the Niagara Region, Pelham's central location makes it an ideal community for commuters, life-long residents, and businesses old and new. With state-of-the-art facilities (Meridian Community Centre) to heritage sites (Comfort Maple Conservation Area), Pelham embraces technological and urban change while preserving a small-town feel and nostalgia of days gone by. A growing community, Pelham isn't just a place to visit, it's a place to call home.

Age of Population (by age groups)
0-19: 21% | 20-64: 55% | 65+: 24%

7,287 Number of Households
5.9% Increase in Number of Households (2016-2020)

\$134,479 2020 Estimated Average Household Income* | **3.5% Property Taxes as a % of Household Income**



AVERAGE RESIDENTIAL PROPERTY

\$361,445 ASSESSMENT VALUE

=

\$4,719 ANNUAL PROPERTY TAX



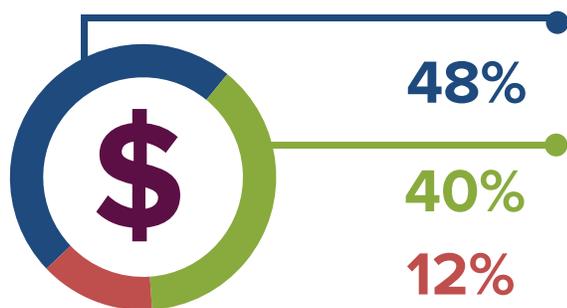
REGION \$2,260



TOWN \$1,906



EDUCATION \$553



Set by the Niagara Region. Collected by the Town and remitted to the Region.

Set by the Town to provide services.

Set by the Province. Collected by the Town and remitted to the local school board.

**Source: BMA Management Consulting Inc. Municipal Study 2020*



126 sq. km Land Area*



17,110 Population (2016 Statistics Canada)



144 Population Density per sq. km*



3.1% Population Growth (2011-2016) From 16,598 to 17,110

FINANCIAL REPORT



- **Message from the Treasurer**
- **Financial Management Process**
- **Financial Overview**
- **Consolidated Financial Statements**
- **Trust Funds Financial Statements**

MESSAGE FROM THE TREASURER



The Town of Pelham (“the Town”) is pleased to present its Annual Financial Report for the year ended December 31, 2020. This report has been prepared by management in accordance with the Municipal Act and the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants (CPA) Canada.

The Annual Financial Report communicates to stakeholders and residents the Town’s 2020 financial performance and information regarding significant policies and processes. The 2020 financial results demonstrate the financial resiliency and sustainability in the Town not only maintaining its financial strength during a pandemic year but also excelling in improving its financial position.

The Town and Niagara Region provide municipal services to Pelham taxpayers. The Niagara Region is exclusively responsible for garbage collection and disposal, water treatment, wastewater services, policing and social services. The Town’s Financial Statements do not include the cost of Niagara Region services.

Pelham’s property tax bill includes levies for the Town, Niagara Region and the Province of Ontario (for education purposes). The Town’s 2020 levy impact on a typical residential property was approximately 40% of the total property tax bill.

Significant time is dedicated to searching for grant opportunities and making grant applications. In 2020, there were over 23 grant applications. One of the significant highlights for the Town in 2020 was receiving \$1.6 million from the Federal and Provincial governments as part of the Safe Restart COVID-19 grant funding program. Pelham was one out of forty-eight municipalities to receive funding under Phase 2 of the program, which required an application. This was the game-changer for alleviating 2020 COVID-19 operating pressures and offsetting \$0.6 million of 2021 operating budget pressures. The funding enabled the Town to cover additional expenditures incurred as a result of the pandemic for personal protective equipment for staff, additional cleaning and establishing a safe work environment for staff. This grant also covered revenue losses in programs, events and facilities rentals. Town staff continued to deliver services to residents despite the challenges faced by the pandemic as a result of the Provincial Emergency directives.

The net debt of the Town decreased from \$33.3 million to \$18.5 million as a result of an increase in financial assets of \$7.2 million and a decrease in financial liabilities of \$7.6 million. Cash increased by \$8.0 million because the Haist arena was sold for proceeds of \$2.4 million and over \$5.2 million of capital projects were deferred to 2021. These deferred projects will be completed in the future and the cash will be used at that time. Surplus land in East Fonthill was sold with proceeds repaying most of a construction bridge loan for the Meridian Community Centre, with a \$3.45 million debenture for the remaining balance. This debenture will be paid with capital donations pledged in future years, and the remainder will be paid for by the tax levy.

The Town’s financial statement surplus of \$16.2 million is primarily a result of the Town assuming three subdivisions resulting in \$4.1 million in contributed tangible capital assets revenues, a \$6.4 million gain on disposal of tangible capital assets held for sale, taxation and planning revenues which exceeded budget due to growth within the Town, and water and wastewater user charges which exceeded budget due to higher consumption during the summer. 2020 was a year like no other year because of the COVID-19 pandemic. What we have learned is that resiliency and strength in leadership was demonstrated by everyone working at the Town. We were able to achieve these exceptional results because of the dedication and hard work by the staff. Maintaining financial strength and sustainability continues to be the focus for the Town of Pelham.

Teresa Quinlin, MBA, CPA, CA

Teresa Quinlin

Director Corporate Services & Treasurer

May 17, 2021

FINANCIAL MANAGEMENT PROCESSES

Financial Management and Control

Budget

Council has sole authority to allocate funds through the annual operating, capital, and utility rate supported budget approval process. The Town's budget is prepared by each department initially, driven by the Town Strategic Plan, input from residents, departmental initiatives, and long-term financial goals. The budget is reviewed by the Senior Leadership Team and presented to Council for review, modification if necessary, and approval. The annual budget is balanced, as required by the *Municipal Act, 2001*, S.O. 2001, c.25, as amended ("the *Municipal Act*"), so that revenues equal expenditures for the budget year.

The 2020 capital budgets were approved by Council on October 21, 2019 and the operating and utility rate supported budgets were approved by Council on November 18, 2019. Pelham's budget is prepared on a modified cash basis in order to ensure the Town collects enough tax revenue to cover its cash needs and meet its obligations. This includes budgeting for any principal debt repayments and any required transfers to or from reserves. Conversely, the Town does not budget for items such as amortization and its annual impact on tangible capital assets or changes in employee future benefit liabilities, which are primarily non-cash items. The Town is required to adjust its presentation of the budget in the financial statements to be in accordance with Canada Public Sector Accounting Standards (PSAS). Note 15 to the financial statements reconciles the approved budget to the budget amounts reported in the financial statements.

Accounting and Internal Controls

Management of the Town is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying consolidated financial statements. The financial statements and accompanying notes have been prepared by management within the framework of the accounting principles and requirements of the PSAS as recommended by CPA Canada. To meet its responsibility, management maintains a system of internal controls designed to ensure that assets are safeguarded and transactions are properly authorized and recorded in compliance with legislative and regulatory requirements. The financial management and control systems of the Town are governed by various by-laws, policies and procedures. The Town's systems of internal controls are monitored and evaluated by management and are subject to independent audit. In 2019, three new policies were presented to Council and approved, the Reserve and Reserve Fund Policy, Capital Financing and Debt Management Policy, and the Strategic Asset Management Policy.

Staff regularly provide financial reports to Council, and clearly compare budgets with actual results along with commentary on variances from budget and forecasts. Staff have been consistently making improvements to the Town's financial reporting capabilities through the implementation of software and report automation, which allows for more frequent financial reporting to Council to aid in decision-making, and provides the public with an understanding of how their tax dollars are spent.

External Audit

The Pelham Finance and Audit Committee is a Committee of Council, composed of three Councillors and two citizen representatives and is responsible for providing oversight, review, and recommendations to Council regarding:

- The selection and appointment of auditors
- The audit results and the management letter (if applicable).

The *Municipal Act* requires that the Town appoint an independent auditor licensed under the *Public Accounting Act, 2001*, to express an opinion as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion.

Deloitte LLP, Chartered Professional Accountants, was appointed by Pelham Town Council to express an audit opinion on the Town's consolidated financial statements for the year ended December 31, 2020.

FINANCIAL OVERVIEW

The Town of Pelham's consolidated financial statements have been prepared in accordance with the reporting standards set by the Public Sector Accounting Board (PSAB) of CPA Canada. The four required financial statements include: the consolidated statement of financial position, the consolidated statement of operations, the consolidated statement of change in net debt, and the consolidated statement of cash flows. These consolidated statements provide information on the financial position and activities of the Town of Pelham. In addition, the notes to the consolidated financial statements provide additional information and form an integral part of the statements.

The consolidated financial statements include the Pelham Public Library Board, a local board under the control of Council. Niagara Central Airport Commission, which is a joint board, is proportionately consolidated. Peninsula West Power Inc., a subsidiary corporation of the Town, is accounted for on a modified equity basis consistent with the generally accepted accounting treatment for government enterprises.

The following is a high-level overview of the 2020 financial results for Pelham.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The consolidated statement of financial position reports on the Town of Pelham's financial and non-financial assets, liabilities and accumulated surplus at December 31, 2020.

Financial Assets

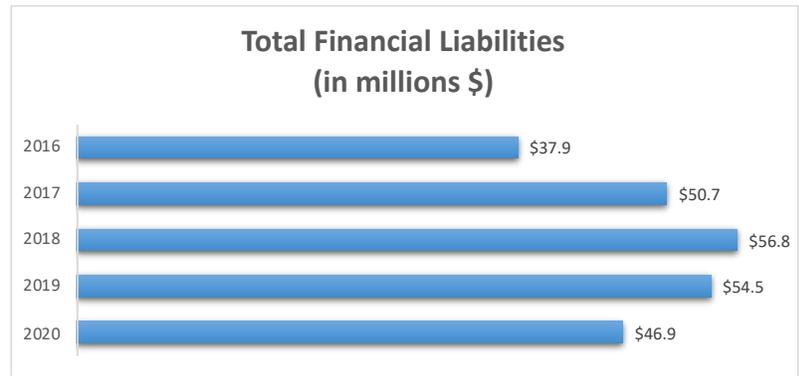
Financial assets in 2020 were \$28.4 million (2019: \$ 21.2 million), a \$7.2 million increase over the prior year. This was primarily due to an \$8.0 million increase in cash and cash equivalents; \$2.4 million of this increase was the result of proceeds from the sale of an arena as well as approximately \$5.1 million of capital projects that were delayed. In addition, cash increased because the Town received Federal/Provincial Safe Restart COVID-19 funding, of which \$0.6 million is being carried forward to 2021. Because the grant funding has been received but the expenditures have not yet been incurred, the cash balance increased. Taxes and user charges receivable increased as a result of higher rates, reduced collections due to COVID-19, and \$0.2 million of supplemental tax revenue included in taxes receivable but not due until 2021. In 2020 accounts receivable decreased, due to collections of \$0.4 million receivable from developers and a \$0.2 million decrease in receivables from the Meridian



Community Centre as a result of the COVID-19 shut-down. Tangible capital assets held for sale were sold in 2020, with the exception of a small parcel of land with a net book value under \$10 thousand which is no longer held for sale. The investment in subsidiary, Peninsula West Power Inc. (PWPI), increased because of equity earnings in the subsidiary. The chart illustrates the 5-year trend in total financial assets.

Financial Liabilities

Liabilities in 2020 were \$46.9 million (2019: \$54.5 million), a \$7.6 million decrease from the prior year. This is mostly due to a \$9.1 million decrease in bank indebtedness, of which \$9.0 million resulted from the repayment of the Infrastructure Ontario construction bridge loan for the Meridian Community Centre. The construction bridge loan was repaid with proceeds from land sales in East Fonthill in the amount of \$4.9 million, substitution of existing CIBC debt financing of \$0.46 million, donations of \$0.19 million, and a \$3.45 million debenture was issued for the remaining balance. Accounts payable increased by \$1.0 million primarily due to an increased demand for building permits toward the end of the year, resulting in higher development charges payable to the Region. Deferred revenue – obligatory reserve funds decreased by \$0.8 million as a result of \$0.6 million of prior year capital grant deferrals being used in the year, as well as development charge expenditures



which exceeded collections by \$0.2 million. Long-term debt increased because of the \$3.45 million debenture issued in the year less principal repayments. Changes in accrued liabilities, other liabilities, deposits, and employee benefit obligations also contributed to the change in financial liabilities in 2020.

The above chart illustrates the five-year trend in total financial liabilities.

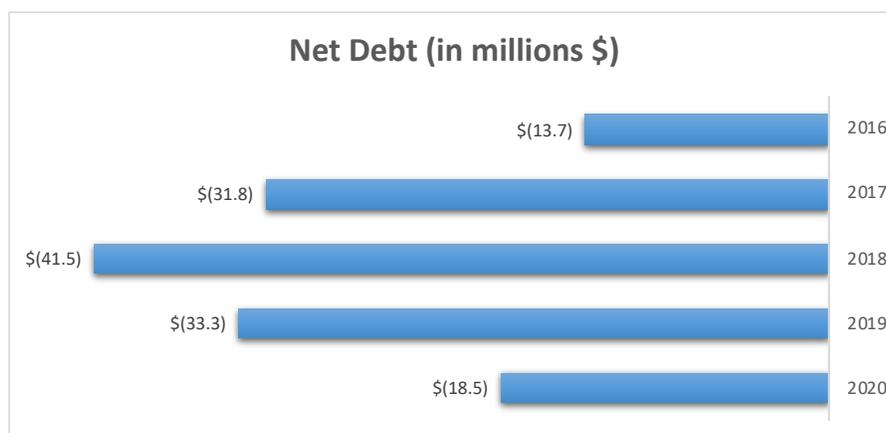
Net Financial Assets (Net Debt)

Net financial assets (net debt) represents the difference between the Town's financial assets and its financial liabilities.

The Town of Pelham ended the year in a net debt position (financial liabilities exceeded financial assets) of \$18.5 million, a decrease in net debt of \$14.8 million from the prior year. This change was the result of an increase in financial assets and a decrease in financial liabilities from 2019.

Net Debt	2020	2019	Change	% Change
Financial assets	\$ 28,435,457	\$ 21,205,264	\$ 7,230,193	34.1%
Less financial liabilities	(46,945,662)	(54,501,475)	7,555,813	-13.9%
Net Debt	\$ (18,510,205)	\$ (33,296,211)	\$ 14,786,006	44.4%

The following chart illustrates the five-year trend in net debt.



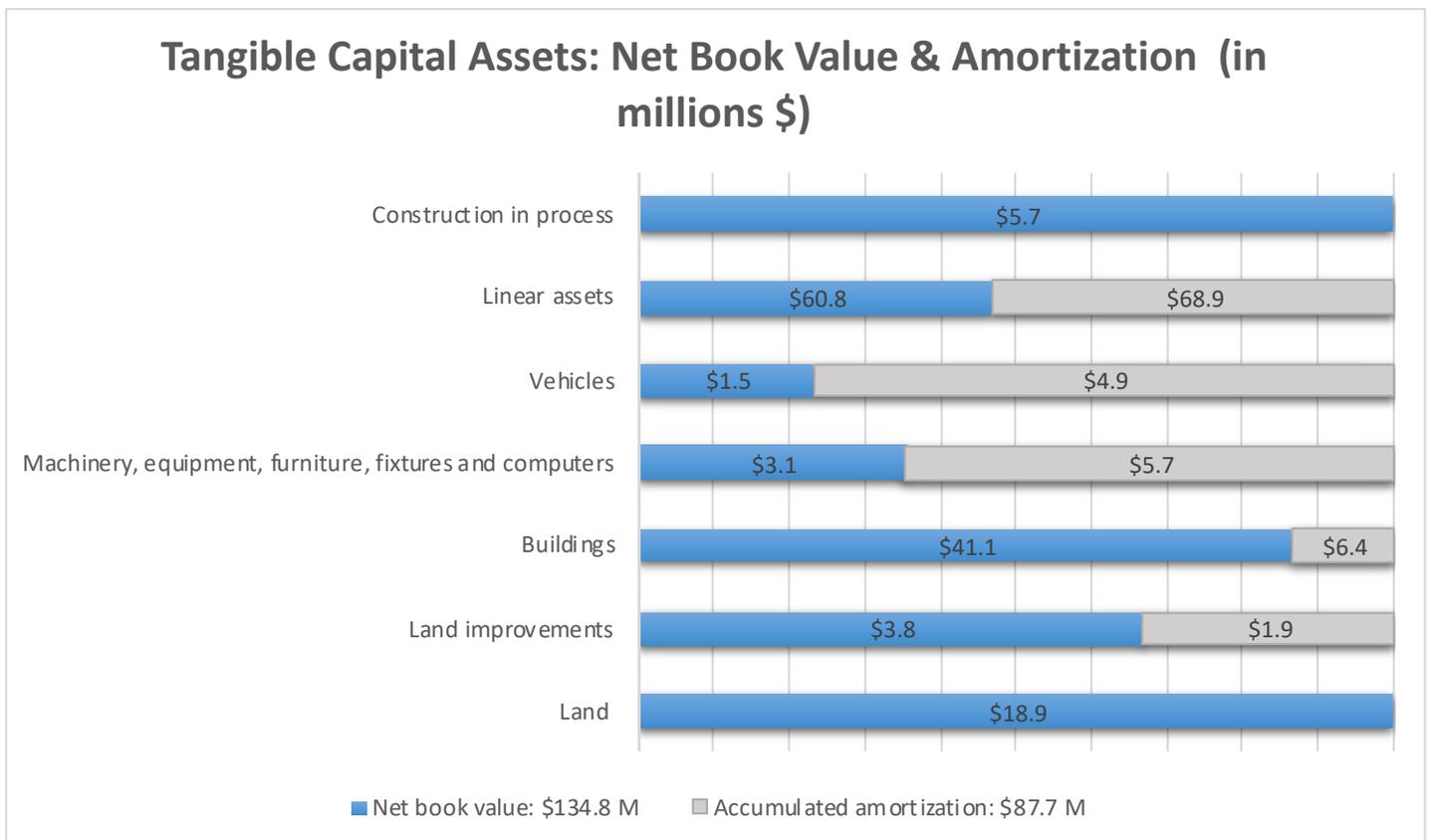
Non Financial Assets

The Town's non-financial assets are comprised mainly of tangible capital assets as well as prepaid expenses. Prepaid expenses decreased compared to 2019 predominantly because the Town's 18-month insurance policy was fully expensed in 2020, with zero months prepaid at the end of 2020 versus twelve months prepaid at the end of 2019.

The net book value of tangible capital assets, as reported in the consolidated statement of financial position, is \$134.8 million and is highlighted by category in the accompanying chart. The total historical costs are \$222.6 million and the total accumulated amortization is \$87.7 million, implying that 39% of the estimated useful life of the Town of Pelham's capital assets has been utilized in the delivery of services. This is impacted by the Meridian Community Centre, which is a new asset with a high dollar value cost, and does not necessarily represent the remaining useful lives of other assets. For example, the historical cost of linear assets, which include roads, water, storm sewer and sanitary sewer distribution networks is \$129.7 million and the accumulated amortization is \$68.9 million, implying that 53% of the estimated useful life of the Town's linear assets have been utilized. A breakdown by category is available below.

During the year the Town of Pelham acquired \$3.9 million of tangible capital assets. In addition, developers contributed \$4.1 million in infrastructure assets from three subdivisions that were assumed by the Town. These contributed tangible capital assets were paid for by the developer and when the subdivisions were assumed they became the responsibility of the Town and were recorded at fair value at the date of contribution.

The total amortization expense, as reported in the statement of operations, amounted to \$5.7 million.

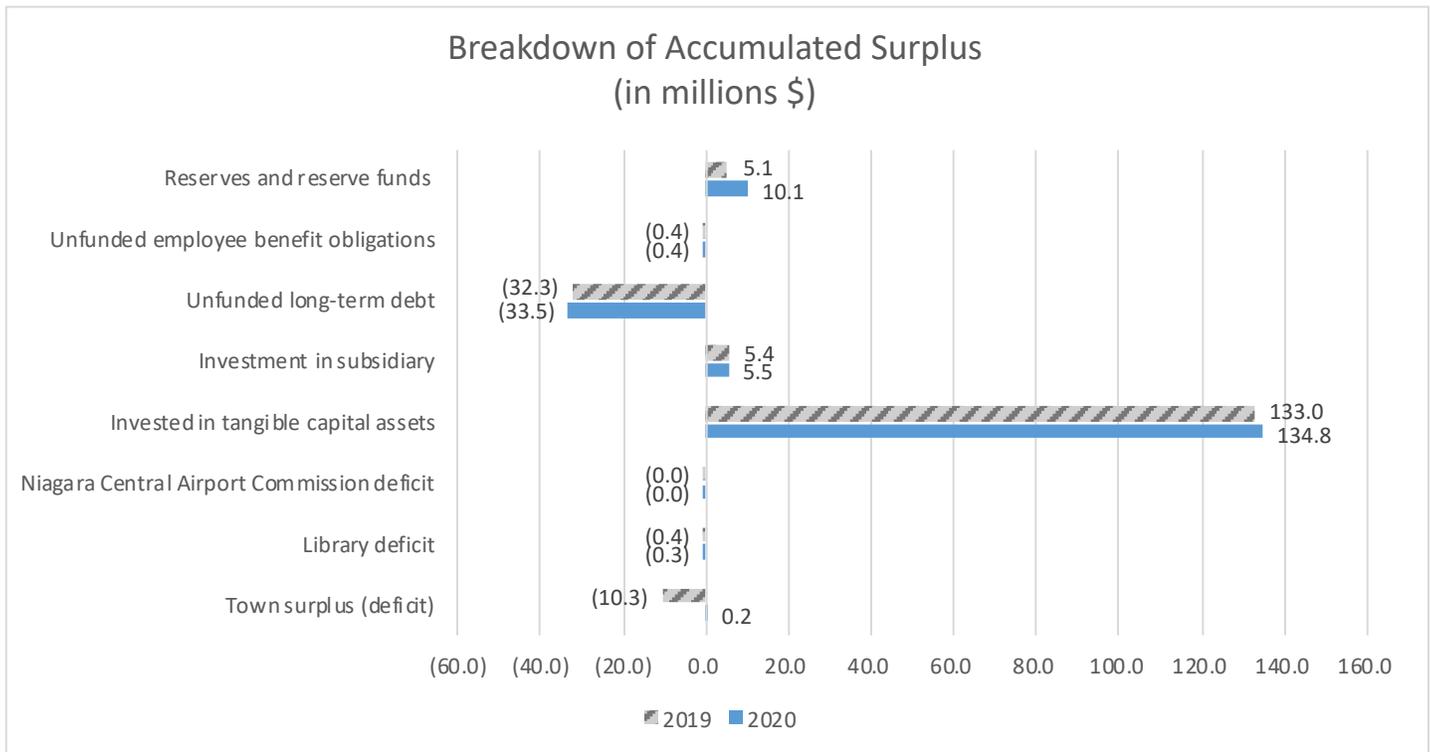


Accumulated Surplus

The Town of Pelham’s accumulated surplus is composed of investments in reserves and reserve funds, investments in subsidiaries, investments in tangible capital assets, and a general Town surplus, which is offset by a deficit in the Library and Niagara Central Airport Commission as well as unfunded long-term debt and unfunded employee benefit obligations.

Reserves and discretionary reserve funds, as detailed in Note 9 to the consolidated financial statements, increased approximately \$5.0 million compared to 2019. This was due to increased transfers to reserves, in-year transfers of items such as growth-related revenue from property tax supplemental revenues and planning fees that will be needed to fund future expenditures, a new reserve and a new reserve fund established by Council, Safe Restart Phase 2 COVID-19 funding which must be carried forward and applied to COVID-19 operating pressures in 2021, as well as capital projects which have not yet been completed but are still committed against the reserves. A number of capital projects were delayed due to COVID-19 and the Town has approximately \$5.2 million in projects carrying forward to be completed in 2021 which were budgeted in prior years, of which \$3.4 million will be funded from these reserves. The remaining reserves and reserve funds are needed to fund future planned capital expenditures within the capital forecast, and some, such as the Building Department, Water, and Wastewater, are rate-supported and must be used for expenditures related to their rate charges.

The following chart illustrates the breakdown of accumulated surplus.



CONSOLIDATED STATEMENT OF OPERATIONS

The consolidated statement of operations reports on the Town of Pelham’s revenues, expenses, and surplus for the year and outlines the change in accumulated surplus.

Summary of Revenues and Expenses	2020	2019	% Change
Total revenue	40,563,551	30,370,207	33.6%
Total expenses	24,320,850	24,271,476	0.2%
Annual surplus	\$ 16,242,701	\$ 6,098,731	
Accumulated surplus, beginning	100,201,406	94,102,675	
Accumulated surplus, ending	\$ 116,444,107	\$ 100,201,406	

Revenues

Revenues in 2020 were \$40.6 million (2019: \$30.4 million), an increase of \$10.2 million over the prior year. This increase is due to higher revenues from taxation, user charges, grants, contributed tangible capital assets, and a significant gain on the disposal of land held for sale. Other revenue decreased \$0.5 million because of fewer capital donations and lower miscellaneous revenues collected due to cancelled events and facility closures because of COVID-19.

Property taxation for the year was 39% of total revenues, being the Town’s most significant source of revenue. Property tax revenue was higher than budget because of supplemental taxation revenue, which is a result of growth in the Town, as well as additions, renovations and class changes that were not previously recorded on the assessment roll and are updated by MPAC.

User charges, including all user charges collected by the Town for items such as water and sewer billings, building permits, and recreation facilities, represented 18% of total revenues. User charges were higher than budget due to an increase in water and sewer usage resulting from a hot dry summer, as well as an increase in planning fees due to growth within the Town. These increases were partially offset by lower than budgeted rental revenues due to COVID-19.

Grants for 2020 were 10% of total revenues, and were higher than budget due to \$0.9 million capital grant revenue which was budgeted in a prior year, \$1.6 million in Safe Restart funding received as a result of COVID-19 and \$0.1 million in Municipal Modernization grant funding announced and received in the year which was unbudgeted.

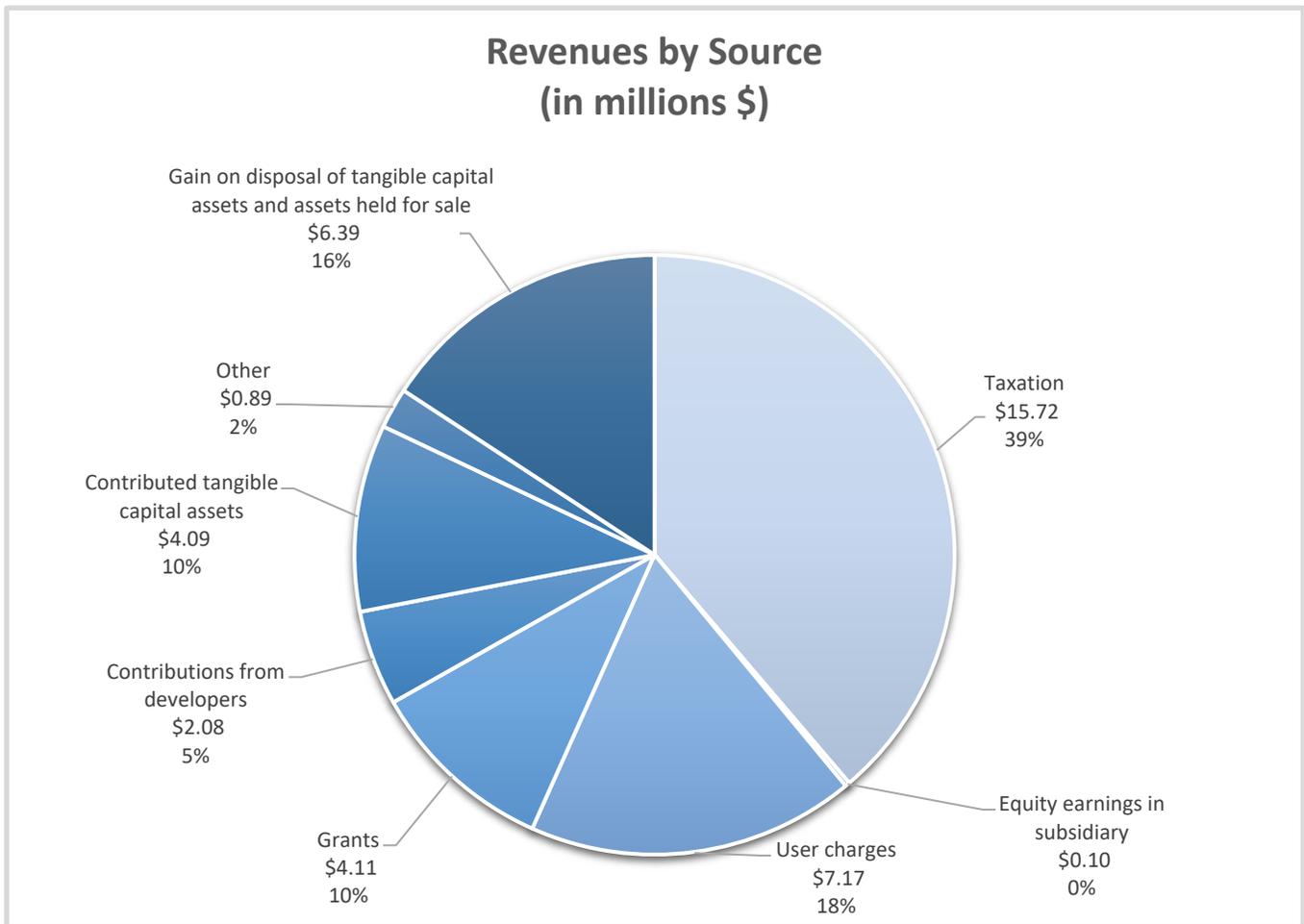
Contributions from developers were 5% of total revenues, and include items such as development charge revenues and parkland dedication revenues. Contributions from developers were lower than budget as a result of delayed capital projects.

Contributed tangible capital assets totalling \$4.1 million were unbudgeted, and resulted from three subdivisions that were assumed by the Town. These are assets contributed to the Town by developers and the revenue is equal to the fair value of the assets assumed, but it is important to note that it does not represent cash received by the Town.

Other revenues, including penalties and interest on taxes, investment income, and donations, were 2% of total revenues. Other revenues exceeded budget because of increased investment income due to the improved cash position, as well as MCC capital donations collected which were budgeted in a prior year. This was partially offset by decreased penalties and interest on taxes which were waived by Council for a portion of the year and decreased other special event and facility revenues due to COVID-19.

Equity earnings in the Town’s subsidiary, PWPI, was below 1% of total revenues, and the gain on disposal on tangible capital assets and assets held for sale was 16% of the total. The Town had a significant gain on a portion of land in East Fonthill and the Haist Street arena land and building which were held for sale.

Below is a breakdown of revenues by source.



Expenses

Expenses in 2020 were \$24.3 million (2019: \$24.3 million), comparable to the prior year.

Of the Town’s total expenses, 16% relate to general government, which includes corporate governance, management, and program support to other departments. General government expenses exceeded budget due to an increase in information technology, facility and PPE costs due to COVID-19, as well as higher insurance and legal costs.

Protection to persons and property is 9% of the total and includes fire, protective inspection and control, emergency measures, and provincial offences. A savings of \$0.1 million in volunteer firefighter points reduced this expense compared to budget.

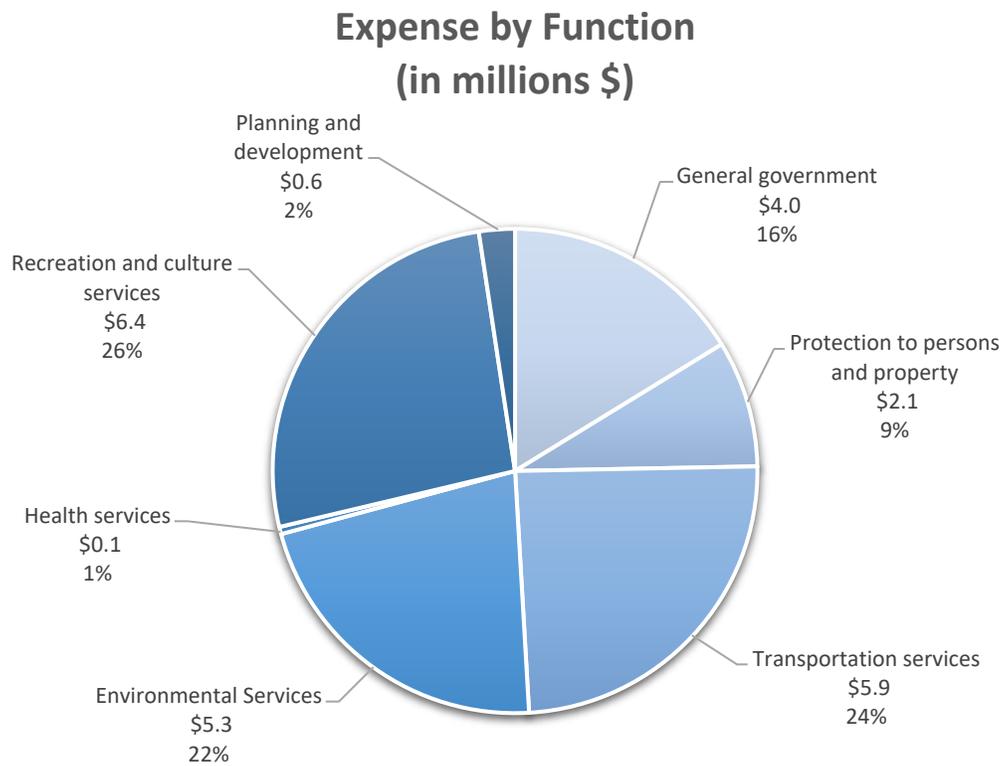
Transportation services, being 24% of the total, includes expenses for roads, winter control, transit, parking, street lighting, and air transportation. Transportation services expenses were lower than budget due to amortization that was \$0.5 million lower than budget. This is the result of \$11.0 million in roads that were fully depreciated in the prior year and delayed capital projects in the current year. This type of fluctuation can result if there was a major road project in the past and the road additions were not fairly equal in amount and useful life from one year to the next. Transportation expenses were also lower than budget due to a new transit pilot agreement with the Region, as well as lower snow removal costs from a mild winter.

Environmental services is 22% of total expenses and is comprised of water and wastewater expenses. Environmental Services expenses were higher than budget due to additional costs for distribution and changes in demand as a result of COVID-19, as well as increased consumption due to summer weather. Health services is 1% of total expenses, and includes the cost of operating and maintaining the cemeteries.

Recreation and culture services is 26% of the Town’s total expense and includes parks, recreation programs, recreation facilities, libraries and cultural services. Recreation and culture services expenses were lower than budget, due to lower wages and costs related to facility closures and event cancellations resulting from COVID-19.

Planning and development expenses are 2% of the total and include planning and zoning, commercial and industrial development, residential development, agricultural and reforestation, heritage matters, and municipal drainage.

Below is a breakdown of expenses by function.



Annual Surplus

During 2020, revenues exceeded expenses resulting in a \$16.2 million surplus, a \$10.1 million increase in annual surplus from the prior year. This increase was primarily the result of increased revenues compared to 2019.

The annual surplus on the consolidated financial statements is different than the operating budget surplus presented in the year-end report to Council, because the financial statements are presented in accordance with PSAB standards, while the Town's operating budget results are reported on a modified cash basis and includes other expenditures such as principal payments on debt and reserve transfers, which are not expenses in the financial statements, and excludes items such as amortization and the gain or loss on disposal of assets. A detailed reconciliation of the approved budget to the budget amounts reported in the consolidated financial statements is available in Note 15 to the statements.

The Town's accumulated surplus at the end of 2020 was just over \$116.4 million. It is important to note that accumulated surplus cannot be construed as "cash" or "funds available", as the majority of this surplus is for tangible capital assets which are not available to discharge existing liabilities; rather, these assets are used in the provision of Town services.

Consolidated Statement of Change in Net Debt

The consolidated statement of change in net debt provides detailed information on the use or acquisition of non-financial assets and their impact on the net financial position of the Town. Net debt decreased by \$14.8 million in 2020 compared to 2019. This was primarily impacted by the annual surplus as well as the acquisition of tangible capital assets of \$3.9 million, contributed tangible capital assets of \$4.1 million and amortization of tangible capital assets of \$5.7 million.

Consolidated Statement of Cash Flows

The consolidated statement of cash flows shows the impact that transactions had on the Town's cash position during the year. It reconciles the annual surplus to the cash balance reported on the consolidated statement of financial position, and highlights the use of cash for operating, capital, investing, and financing activities. Total operating activities increased cash by \$19.8 million, and this was used for the acquisition of tangible capital assets net of proceeds on disposal of \$3.9 million, as well as to decrease debt by \$7.9 million (net of new debt issuance). The net impact was to increase cash and cash equivalents by \$8.0 million for an ending balance of \$15.9 million.

Trust Funds

The Town also administers trust funds, which are not consolidated with the Town's financial statements. These funds undergo a separate audit and their financial statements are also approved by Council. The financial statements for the Town of Pelham Trust Funds are found in pages 64 to 68 of the annual report. The most significant of these funds relate to Cemetery Care and Maintenance Funds held under the Cemeteries Act (Revised), R.S.O. 1990. Total trust funds administered by the Town at the end of 2020 were \$1.0 million (2019 - \$1.0 million).

Conclusion

In 2020, the Town disposed of land in East Fonthill and used the proceeds to repay most of the construction bridge loan for the MCC, with a \$3.45 million debenture issued for the remaining balance. This was budgeted and planned for in a prior year but the revenue was earned in 2020, which results in revenues significantly above budget on the financial statements. In addition, the Haist Street arena land and buildings were sold and the proceeds were used to replenish the cash that was needed for capital projects committed to in prior years. Three subdivisions were assumed by the Town resulting in \$4.1 million in contributed tangible capital asset revenues, which do not result in a cash surplus but must be recognized in the financial statements to accurately portray the value of the Town's tangible capital assets. Growth within the Town contributed to taxation revenue and planning revenues that exceeded budget for the year, and water and wastewater user charges were higher than budget due to higher consumption during the summer.

Finally, COVID-19 had a significant impact on the Town's operations that is not immediately apparent in the financial statements. Revenues from user charges in many service areas were lower than budget, penalties and interest on taxes were waived for a portion of the year, and additional costs were incurred for health, safety and information technology. However, Safe Restart COVID-19 grant funding from the federal and provincial governments in the total amount of \$1.6 million for 2020 helped alleviate the operating pressures created by the pandemic. This, along with capital grant revenue recognized on projects budgeted in prior years led to grant revenue which exceeded budget by \$2.4 million. Capital projects were delayed due to the pandemic, and this contributed to increased cash and reserve balances at year-end.

At the end of 2020, these items combined resulted in a financial statement surplus of \$16.2 million, debt that decreased by \$7.6 million, cash that increased by \$8.0 million, and reserve balances that are starting to be built up to help pay for future capital outlays.

Consolidated Financial Statements of

CORPORATION OF THE TOWN OF PELHAM

December 31, 2020

Independent Auditor's Report

To the Members of Council of the
Corporation of the Town of Pelham

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Pelham (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2020, the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 17, 2021

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Financial Position

December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 15,859,111	\$ 7,848,224
Taxes receivable	1,967,288	1,751,162
User charges receivable	800,453	684,278
Accounts receivable	4,315,848	5,012,259
Tangible capital assets held for sale (Note 3)	-	515,697
Investment in subsidiary (Note 2)	5,492,757	5,393,644
	28,435,457	21,205,264
LIABILITIES		
Bank indebtedness (Note 4)	1,166,667	10,294,044
Accounts payable and accrued liabilities	5,676,918	4,726,141
Other liabilities	2,214,306	1,998,225
Deposits and deferred revenue	790,484	851,502
Deferred revenue - obligatory reserve funds (Note 5)	3,227,028	3,981,023
Long-term debt (Note 6)	33,465,343	32,252,037
Employee benefit obligations (Note 7)	404,916	398,503
	46,945,662	54,501,475
Contingencies (Note 18)		
Net debt	(18,510,205)	(33,296,211)
NON FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	134,849,662	132,979,060
Prepaid expenses	104,650	518,557
	134,954,312	133,497,617
Accumulated surplus (Note 8)	\$ 116,444,107	\$ 100,201,406

Signed on behalf of the Town:





Marvin Junkin, Mayor





Teresa Quinlin, Treasurer

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Operations

For the Year Ended December 31, 2020

	Budget 2020 (Note 15)	Actual 2020	Actual 2019
REVENUE			
Taxation (Note 10)	\$ 15,446,958	\$ 15,724,635	\$ 14,342,049
User charges (Note 11)	7,030,517	7,168,751	6,576,964
Grants (Note 13)	1,748,914	4,110,579	1,912,212
Contributions from developers	2,716,804	2,083,217	2,168,354
Contributed tangible capital assets	-	4,092,908	-
Other (Note 14)	788,380	890,208	1,362,205
Equity earnings in subsidiary (Note 2)	-	99,113	63,059
Gain on disposal of tangible capital assets and assets held for sale	-	6,394,140	3,945,364
	27,731,573	40,563,551	30,370,207
EXPENSES			
General government	3,558,905	3,950,174	3,472,230
Protection to persons and property	2,190,419	2,056,453	1,960,146
Transportation services	6,431,727	5,929,468	6,481,990
Environmental services	5,192,783	5,283,920	4,863,889
Health services	123,876	117,052	117,015
Recreation and culture services	6,962,636	6,400,982	6,725,057
Planning and development	558,371	582,801	651,149
	25,018,717	24,320,850	24,271,476
Annual surplus	2,712,856	16,242,701	6,098,731
Accumulated surplus, beginning of year	100,201,406	100,201,406	94,102,675
Accumulated surplus, end of year	\$ 102,914,262	\$ 116,444,107	\$ 100,201,406

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Change in Net Debt

For the Year Ended December 31, 2020

	Budget 2020	Actual 2020	Actual 2019
ANNUAL SURPLUS	\$ 2,712,856	\$ 16,242,701	\$ 6,098,731
Amortization of tangible assets	6,200,000	5,681,227	5,878,048
Contributed tangible capital assets	-	(4,092,908)	-
Acquisition of tangible capital assets	(6,562,744)	(3,946,806)	(4,158,299)
Transfer from tangible capital asset held for sale	-	(9,593)	-
Loss on disposal of tangible capital assets	-	428,057	506,755
Proceeds on disposal of tangible capital assets	-	69,421	30,254
	2,350,112	14,372,099	8,355,489
Acquisition of prepaid expenses	-	(63,693)	(487,438)
Use of prepaid expenses	-	477,600	290,624
	-	413,907	(196,814)
Decrease in net debt	2,350,112	14,786,006	8,158,675
Net debt, beginning of year	(33,296,211)	(33,296,211)	(41,454,886)
Net debt, end of year	\$ (30,946,099)	\$ (18,510,205)	\$ (33,296,211)

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Annual surplus	\$ 16,242,701	\$ 6,098,731
Items not involving cash:		
Amortization of tangible assets	5,681,227	5,878,048
Gain on disposal of tangible capital assets and assets held for sale	(6,394,140)	(3,945,364)
Contributed tangible capital assets	(4,092,908)	-
Net earnings from investment in subsidiary	(99,113)	(63,059)
Employment benefit obligations	6,413	75,476
Change in non-cash assets and liabilities:		
Taxes receivable	(216,126)	10,801
User charges receivable	(116,175)	(70,343)
Accounts receivable	696,411	722,920
Accounts payable and accrued liabilities	950,777	803,753
Other liabilities	216,081	(91,502)
Deferred revenue - obligatory reserve funds	(753,995)	147,836
Deposits and deferred revenue	(61,018)	304,110
Prepaid expenses	413,907	(196,814)
Proceeds on disposal of tangible capital assets held for sale	7,328,301	4,471,156
	19,802,343	14,145,749
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	69,421	30,254
Acquisition of tangible capital assets, net of construction in process capitalized	(3,946,806)	(4,158,299)
	(3,877,385)	(4,128,045)
FINANCING ACTIVITIES		
Decrease in bank indebtedness	(9,127,377)	(5,666,732)
Dividends received from investment in subsidiary (Note 2)	-	53,231
Issuance of long-term debt	3,450,000	4,018,355
Repayment of long-term debt	(2,236,694)	(1,855,006)
	(7,914,071)	(3,450,152)
Net increase in cash	8,010,887	6,567,552
Cash and cash equivalents, beginning of year	7,848,224	1,280,672
Cash and cash equivalents, end of year	\$ 15,859,111	\$ 7,848,224

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

1. Significant accounting policies

The Corporation of the Town of Pelham ("the Town") is a municipality that provides municipal services such as fire, public works, planning, parks and recreation, library and other general government operations.

The consolidated financial statements of the Town are the representation of management prepared in accordance with Canadian public sector accounting standards ("PSAS"). Significant aspects of the accounting policies adopted by the Town are as follows:

a. Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, non-financial assets, revenues, and expenses and include all activities of all committees of Council and the following local boards and municipal entities which are under the control of Council:

i. Pelham Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionately consolidated:

ii. Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 16).

iii. Peninsula West Power Inc.

Peninsula West Power Inc., a subsidiary corporation of the Town, is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government enterprises (Note 2). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Town, and interorganizational transactions and balances are not eliminated.

The consolidated statements exclude trust funds that are administered for the benefit of external parties (Note 17).

b. Basis of accounting

The consolidated financial statements are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

1. Significant accounting policies (continued)

c. Deferred revenue - obligatory reserve funds

Receipts which are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts. Revenues received in advance of expenses which will be incurred in a later period are deferred.

d. Employee future benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

e. Cash and cash equivalents

For the purpose of the consolidated financial statements, the Town considers all short-term investments with an original maturity of three months or less to be cash equivalents.

f. Deposits and deferred revenue

Deposits and deferred revenue represent user fees and charges that have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

g. Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

1. Significant accounting policies (continued)

h. Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of an asset. The cost, less residual value of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Classification	Useful life
Land improvements	15 to 40 years
Buildings	20 to 60 years
Machinery and equipment	7 to 40 years
Furniture and fixtures	5 to 10 years
Computer hardware	4 years
Computer software	5 years
Library collection	15 years
Linear assets	2 to 90 years
Vehicles	3 to 20 years

Half year amortization is charged in the year of acquisition and no amortization is taken in year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The Town does not capitalize interest as part of the costs of its capital assets.

Tangible capital assets received as contributions are recorded at their fair market value at the date of receipt and also are recorded as revenue.

Works of art, artifacts, cultural or historic assets are not recorded as assets in the consolidated financial statements.

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits incidental to ownership are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

i. Subdivision infrastructure

Subdivision streets, lighting, sidewalks, drainage and other infrastructure are required to be provided by subdivision developers. Upon completion they are turned over to the Town. The Town is not involved in the construction.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

1. Significant accounting policies (continued)

j. Reserves for future expenses

Certain amounts, as approved by Town Council, are set aside in reserves and reserve funds for future current and capital expenses.

k. Government transfer payments

Government transfers are recognized as revenues by the Town in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions or programs to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

l. Local improvements

The Town records capital expenses funded by local improvement agreements as they are incurred. Revenues are recognized in the year they become receivable.

m. Tax revenue

Tax revenue is recognized on all taxable properties within the Town that are included in the tax roll provided by the Municipal Property Assessment Corporation, using property values included in the tax roll or property values that can be reasonably estimated by the Town as it relates to supplementary or omitted assessments, at tax rates authorized by Council for the Town's own purposes in the period for which the tax is levied.

n. Region and school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Region of Niagara are not reflected in the accumulated surplus of these consolidated financial statements.

o. Development charges

Development charges, collected under the authority of Sections 33 to 35 of the Development Charges Act, 1997, are reported as deferred revenue - obligatory reserve funds in the consolidated statement of financial position in accordance with Canadian public sector accounting standards. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period in which the funds are expended on qualifying capital projects. Development charges will also be applied to cover costs for servicing debt including interest on borrowings and contributions to sinking funds to retire debt.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

1. Significant accounting policies (continued)

p. Management estimates

The preparation of these consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include accounts receivable, accrued liabilities, deferred revenue, employee benefit obligations and useful lives of tangible capital assets.

2. Subsidiary operations

Peninsula West Power Inc. (PWPI), established by Council under Municipal By-law 2004-45, is an amalgamation of hydro-electric commissions from the Municipalities of Lincoln, West Lincoln and Pelham. PWPI owns a 25.5% share of Niagara Peninsula Energy Inc., which provides electric distribution services and wholly-owns Peninsula West Services Ltd. (PWSL), which provides water heater, sentinel lights and related services. The Town of Pelham has a 17% interest in PWPI.

The following table provides condensed supplementary financial information for Peninsula West Power Inc.:

	2020	2019
Financial position		
Current assets	\$ 1,595,696	\$ 1,578,890
Capital assets	86,476	96,428
Investment	36,299,079	35,733,453
Total assets	37,981,251	37,408,771
Current liabilities		
Accounts payable and accrued liabilities	32,109	39,091
Future payments in lieu of taxes	5,644,211	5,647,768
Total liabilities	5,676,320	5,686,859
Net assets	32,304,931	31,721,912
Town of Pelham's interest - 17%	\$ 5,492,757	\$ 5,393,644

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

2. Subsidiary operations (continued)

	2020	2019
Change in equity investment in subsidiary		
Revenues	\$ 212,881	\$ 230,278
Expenses	(192,894)	(191,988)
Payment in lieu of income taxes	(2,594)	(5,032)
Gain from operations	17,393	33,258
Gain on investment	565,626	337,676
Net earnings	583,019	370,934
Dividends	-	(313,121)
Net increase in equity of subsidiary	583,019	57,813
Change in equity of subsidiary - 17%	\$ 99,113	\$ 9,828

The financial position, long-term debt, capital lease and contingent liabilities information is as reported by Peninsula West Power Inc. at December 31, 2020 and the results of operations is as reported for the year ended December 31, 2020. The comparative financial position and results of operations figures are as reported by Peninsula West Power Inc. at December 31, 2019.

The following summarizes the Town's related party transactions with Peninsula West Power Inc. for the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	2020	2019
Electricity purchased	\$ 41,516	\$ 50,614
Administration expense	6,170	7,535
	\$ 47,686	\$ 58,149

3. Tangible capital assets held for sale

As at December 31, 2020 the Town had land and buildings held for sale of \$nil (2019 - \$515,697). During the year, land and buildings held for sale with a net book value of \$506,104 were sold for proceeds of \$7,328,301, resulting in a gain on disposal of \$6,822,197. The remaining land with a net book value of \$9,593 is no longer held for sale.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

4. Bank indebtedness

The Town has an authorized revolving line of credit of \$11,500,000 (2019 - \$7,000,000) at prime minus 0.25%, of which \$11,500,000 (2019 - \$7,000,000) remained unused at year-end. The line of credit is secured by a borrowing by-law for operating line of \$11,500,000 held. Payment is due on demand. The Town has a non-revolving demand instalment loan of \$1,166,667 (2019 - \$1,300,000) at prime minus 0.10%. Payment is due on demand.

5. Deferred revenue - obligatory reserve funds

A requirement of PSAS is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the legislatively restricted deferred revenue balances is as follows:

	Development charges	Parkland	Other	2020 Total	2019 Total
Balance, beginning of year	\$ 1,708,046	\$ 1,306,374	\$ 966,603	\$ 3,981,023	\$ 3,833,187
Restricted funds received	1,874,186	419,474	1,190,028	3,483,688	3,231,268
Interest earned	29,891	16,537	6,657	53,085	89,322
Collection of receivable	-	(419,474)	-	(419,474)	(216,543)
Revenue recognized	(2,057,716)	-	(1,813,578)	(3,871,294)	(2,956,211)
Balance, end of year	\$ 1,554,407	\$ 1,322,911	\$ 349,710	\$ 3,227,028	\$ 3,981,023

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

6. Long-term debt

- (a) The balance of net long-term debt reported on the consolidated statement of financial position is made up of the following:

	2020	2019
The Town has assumed responsibility for the payment of principal and interest charges on certain long-term debt issued by the Region of Niagara. At the end of the year, the outstanding principal amount of this debt is	\$ 33,465,343	\$ 32,252,037

- (b) The net long-term debt:

Debenture number	Purpose	Interest rates	Maturity dates	2020	2019
83-2011	Haist & Pelham St	1.55% to 4.05%	2021	\$ 197,608	\$ 388,012
73-2012	Haist St & Rice Rd	1.35% to 3.10%	2022	178,000	263,000
72-2013	Effingham & Hwy 20	1.40% to 3.75%	2023	231,416	305,173
78-2014	Pelham St & Fire Stn #2	1.20% to 3.30%	2024	763,515	941,903
75-2015	Fire Stn #3 & Pt Robinson	1.94%	2025	1,743,000	2,070,000
35-2016	Fenwick & Pt Robinson	1.20% to 2.40%	2026	3,557,938	4,115,839
72-2016	Meridian Community Centre	3.34%	2046	8,311,174	8,509,401
55-2017	Meridian Community Centre	3.22%	2047	11,379,039	11,640,354
59-2019	East Fonthill Roads	2.40%	2029	3,653,653	4,018,355
58-2020	Meridian Community Centre	1.98%	2040	3,450,000	-
				\$ 33,465,343	\$ 32,252,037

- (c) Principal repayments due in each of the next five years and thereafter are as follows:

2021	\$ 2,433,289
2022	2,286,290
2023	2,248,376
2024	2,222,719
2025	2,074,693
Thereafter	22,199,976
	\$ 33,465,343

The Town paid \$929,241 (2019 - \$937,707) interest on long-term debt during the year.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

7. Employee benefit obligations

The Town completes a valuation for accounting purposes annually using the projected benefit method prorated on service.

The valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect management's best estimates. The main assumptions employed for the valuation are as follows:

Discount rate	beginning of year	2.83%
	end of year	2.67%
Medical cost increases	ultimate trend rate	4.50%

The post-employment benefit expense is reported as a component of expenses on the consolidated statement of operations. Composition of the amount is as follows:

	2020	2019
Current service cost	\$ 19,975	\$ 85,766
Interest on post-employment benefit liability	10,632	9,148
Total expense related to post-employment benefits	\$ 30,607	\$ 94,914

Vested sick leave benefits

Under the sick leave benefit plan, which was in place until 1994, unused sick leave could accumulate and employees were entitled to a cash payment. All the vested sick leave benefits have been paid out.

Post-employment benefit liability

The Town sponsors a defined benefit plan for post-employment benefits other than pensions for substantially all of its employees. The plan provides extended health and life insurance coverage to age 65 for full-time employees. The plan is unfunded and requires no contribution from employees. Total benefit payments for retirees during the year were \$24,194 (2019 - \$19,438).

Pension agreement

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 70 members of its staff. The Town also makes contributions to OMERS on behalf of 8 members of its library staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The amount the Town contributed to OMERS for 2020 was \$565,782 (2019 - \$519,286) for current service which is included as an expense in the consolidated statement of operations.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

8. Accumulated surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2020	2019
Surplus (deficit)		
Town	\$ 229,912	\$ (10,274,391)
Library (Schedule 1)	(346,437)	(352,741)
Niagara Central Airport Commission (Note 16)	(35,996)	(31,566)
	(152,521)	(10,658,698)
Investment in tangible capital assets (Schedule 2)	134,849,662	132,979,060
Investment in subsidiary	5,492,757	5,393,644
Unfunded		
Long-term debt	(33,465,343)	(32,252,037)
Employee benefit obligations	(404,916)	(398,503)
	(33,870,259)	(32,650,540)
Reserves and reserve funds (Note 9)	10,124,468	5,137,940
	\$ 116,444,107	\$ 100,201,406

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

9. Reserves and reserve funds

	2020	2019
Reserves and reserve funds set aside for specific purposes by Council		
Airport (Note 16)	\$ 2,955	\$ 2,955
Building department	1,404,644	1,378,609
Cemetery	42,590	(52,055)
Community improvement plan	243,603	168,754
Elections	75,943	20,794
Fire equipment	607,582	345,880
Fleet	1,028,724	733,041
Human resource capacity building	339,363	-
Information technology	76,430	(94,399)
Land acquisition	(1,176,452)	(1,323,452)
Library (Schedule 1)	293,821	139,352
Meridian Community Centre	429,384	215,252
Municipal building facility	156,831	(311,314)
Municipal drainage	16,831	(97,669)
Parks and recreation	55,904	(405,009)
Physician recruitment	25,706	23,705
Planning	256,765	(34,116)
Roads	3,046,895	1,406,973
Volunteer firefighter life insurance	12,500	-
Wastewater	1,418,665	1,042,700
Water	946,119	976,004
Working capital	819,665	1,001,935
	\$ 10,124,468	\$ 5,137,940

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

10. Taxation

	Budget 2020 (Note 15)		Actual 2020		Actual 2019
Taxation - real property	\$ 38,133,888	\$	39,238,924	\$	36,227,610
Payments in lieu of taxes	300,468		302,118		300,875
	38,434,356		39,541,042		36,528,485
Less: taxation collected on behalf of					
Region of Niagara	17,855,611		18,423,493		16,943,045
School boards	5,131,787		5,392,914		5,243,391
	22,987,398		23,816,407		22,186,436
Net taxes available for municipal purposes	15,446,958		15,724,635		14,342,049
Residential and farm	14,219,756		14,458,908		13,152,475
Multi-residential	184,674		190,486		183,635
Commercial	985,604		1,016,503		963,873
Industrial	56,924		58,738		42,066
	\$ 15,446,958	\$	15,724,635	\$	14,342,049

11. User charges

	Budget 2020 (Note 15)		Actual 2020		Actual 2019
Operating					
Fees and service charges	\$ 1,311,422	\$	1,235,964	\$	1,427,595
Water charges	2,933,982		3,042,547		2,541,809
Sewer charges	2,156,963		2,261,788		1,889,539
Licenses and permits	628,150		628,452		718,021
	\$ 7,030,517	\$	7,168,751	\$	6,576,964

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

12. Collections for the Region of Niagara and school boards

Total taxation and development charges received or receivable on behalf of the Region of Niagara and the school boards were as follows:

	2020	2019
Region of Niagara	\$ 20,359,271	\$ 18,461,659
School boards	5,392,914	5,243,391
	\$ 25,752,185	\$ 23,705,050

The Town is required to levy and collect taxes on behalf of the Region of Niagara and the school boards. The taxes levied over (under) the amounts requisitioned are recorded as accounts payable (receivable).

The Town collects development charges on behalf of the Region of Niagara. Development charges collected in excess of those paid to the Region are recorded as accounts payable.

13. Grants

	Budget 2020 (Note 15)	Actual 2020	Actual 2019
Operating			
Government of Canada	\$ 80,950	\$ 62,956	\$ 89,689
Province of Ontario	312,338	2,124,759	261,289
Region of Niagara	66,000	14,925	64,437
Other	-	16,259	5,000
	459,288	2,218,899	420,415
Capital			
Government of Canada	519,053	1,416,458	535,744
Province of Ontario	725,263	425,222	798,131
Region of Niagara	45,310	50,000	-
Other	-	-	157,922
	1,289,626	1,891,680	1,491,797
	\$ 1,748,914	\$ 4,110,579	\$ 1,912,212

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

14. Other revenue

	Budget 2020 (Note 15)	Actual 2020	Actual 2019
Operating			
Penalties and interest on taxes	\$ 270,000	\$ 231,419	\$ 261,321
Investment income	14,500	69,256	92,606
Fines and other penalties	40,830	41,271	69,500
Other	400,550	247,225	458,585
	725,880	589,171	882,012
Capital			
Investment income	-	3,199	-
Donations	-	297,838	480,193
Other	62,500	-	-
	62,500	301,037	480,193
	\$ 788,380	\$ 890,208	\$ 1,362,205

15. Budget amounts

The tax rate supported capital budgets were approved by Council on October 21, 2019 and the operating budget was approved by Council on November 18, 2019 to establish the tax rates for the year. In addition, the water and wastewater capital budgets were approved on October 21, 2019 and the water and wastewater operating budgets were approved by Council on November 18, 2019.

An amount for amortization expense has been added and is based on management's best estimate of amortization expense determined at the beginning of the year. Amortization expense was not included in the original Council approved budget.

Amounts included in the original Council approved capital budget which are not recognized as tangible capital assets are included in consolidated statement of operations under the appropriate functional expense category, while those recognized as tangible capital assets are include in the consolidated statement of change in net debt.

The chart below reconciles the approved budget to the budget amounts reported in the consolidated financial statements.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

15. Budget amounts (continued)

	Budget Amount
Revenues	
Approved operating budget	\$ 18,629,565
Approved water and wastewater budget	5,110,275
Approved library budget - other than Town contribution	145,050
Add capital:	
Development charges	2,174,054
Recreational Land (the Planning Act)	300,000
Federal Gas Tax	519,053
Ontario Community Infrastructure Fund	450,000
Other grants	320,573
Other contributions	262,500
	4,026,180
Less:	
Transfers from reserves - operating	(179,497)
	(179,497)
Total revenues	27,731,573
Expenses	
Approved operating budget	18,629,565
Approved water and wastewater budget	5,110,275
Approved library operating budget	944,556
Add:	
Amortization	6,200,000
Employee future benefits	40,000
Estimated capital budget items expense in nature	370,000
Debt interest payments - development charges	468,375
	7,078,375
Less:	
Debt principal payments (development charge excluded)	(1,249,778)
Town contribution to library	(864,218)
Transfers to reserves, including capital	(4,630,058)
	(6,744,054)
Total expenses	25,018,717
Annual surplus	\$ 2,712,856

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

16. Niagara Central Airport Commission

The Niagara Central Airport Commission operates a two runway airport offering a year round fixed base operation. The Commission is funded by the four nearby municipalities, City of Welland, City of Port Colborne, Town of Pelham and the Township of Wainfleet. The Town of Pelham has a non-controlling interest in the airport of 18%.

	2020	2019
Financial assets		
Cash and temporary investments	\$ 237,067	\$ 228,562
Receivables	31,065	43,073
	268,132	271,635
Liabilities		
Accounts payable and accrued liabilities	67,881	37,317
Loans payable and capital lease liability	414,512	420,313
	482,393	457,630
Net debt	(214,261)	(185,995)
Non-financial assets		
Prepaid expenses	15,040	1,354
Fuel inventory	15,659	25,685
Tangible capital assets	1,476,176	1,492,862
	1,506,875	1,519,901
Accumulated surplus	1,292,614	1,333,906
Accumulated surplus		
Operating deficit	(199,726)	(175,120)
Reserves	16,164	16,164
Investment in tangible capital assets	1,476,176	1,492,862
	1,292,614	1,333,906
Revenues		
Grants	154,770	167,510
Fuel and rentals	94,480	118,697
Other	172	1,350
Interest	-	571
Expenses	(276,436)	(292,366)
Annual deficit	\$ (27,014)	\$ (4,238)

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

16. Niagara Central Airport Commission (continued)

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2020 and the results of operations are as reported for the year ended December 31, 2020. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission at December 31, 2019.

The Town has recorded in the financial statements its 18% share of the Niagara Central Airport Commissions' assets, liabilities, accumulated surplus, revenues, expenses, and annual surplus.

The following summarizes the Town's related party transactions with the Niagara Central Airport Commission for the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

		2020		2019
Grants	\$	27,858	\$	30,152
Donations		80		4,070
Loan payments received	\$	9,308	\$	9,308

17. Trust funds

Trust funds administered by the Town amounting to \$1,049,157 (2019 - \$991,678) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

18. Contingencies

From time to time, the Town is the subject of litigation. In the opinion of management, any litigation outstanding, if successful, would not have a material impact on the financial statements.

19. Financial instruments

The Town's financial instruments consist of cash and cash equivalents, user charges and accounts receivable, bank indebtedness, accounts payable and accrued liabilities, other liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2020

20. Segmented information

The Town provides a diverse range of services to its citizens. The Consolidated schedule of segment disclosure has grouped various services into segments to provide a further breakdown of the revenues and expenses attributable to each segment. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The services included in each segment are as follows:

(i) General government

General government is comprised of governance, corporate management and program support.

(ii) Protection services

Protection is comprised of fire, protective inspection and control, emergency measures and provincial offences.

(iii) Transportation services

Transportation is comprised of roads, winter control, transit, parking, street lighting and air transportation.

(iv) Environmental services

Environmental is comprised of storm sewer systems and water collection.

(v) Health services

Health services is comprised of cemeteries.

(vi) Recreation and culture services

Recreation and culture is comprised of parks, recreation programs, recreation facilities, libraries and cultural services.

(vii) Planning and development

Planning and development is comprised of planning and zoning, commercial and industrial development, residential development, agricultural and reforestation, heritage matters and municipal drainage.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Library Operations - Schedule 1

For the Year Ended December 31, 2020

	Budget 2020 (Note 15)	Actual 2020	Actual 2019
Revenue			
Municipal contribution (Library)	\$ 864,218	\$ 864,218	\$ 814,218
Library - grants	44,800	71,458	45,524
Deferred revenue earned (Development Charges)	42,750	42,750	42,750
Library - other revenue	57,500	45,182	62,054
	1,009,268	1,023,608	964,546
Expenses			
Administration	63,100	48,481	54,357
Amortization of books, periodicals and media	-	60,583	61,611
Books, periodicals and other media	57,212	-	-
Electronic resources and maintenance	27,000	33,689	25,740
Equipment rental	3,000	1,064	2,725
Furnishings and office equipment	500	4,673	6,509
Insurance	3,100	3,075	3,027
Programs	10,000	5,379	11,779
Repairs and maintenance	48,143	38,009	46,421
Salary, wages and employee benefits	759,013	652,550	693,331
Supplies	3,000	2,487	2,894
Utilities	27,700	20,375	25,508
	1,001,768	870,365	933,902
Annual surplus	7,500	153,243	30,644
Accumulated surplus, beginning of year	192,920	192,920	162,276
Accumulated surplus, end of year	200,420	346,163	192,920
Accumulated surplus consists of the following			
Operating deficit	-	(346,437)	(352,741)
Investment in library collection	-	419,594	427,720
Reserves	-	293,821	139,352
Unfunded employee benefit obligations	-	(20,815)	(21,411)
	\$ -	\$ 346,163	\$ 192,920

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2020

	2020							
	Land	Land improvements	Buildings	Machinery, equipment, furniture, fixtures and computers	Vehicles	Linear assets	Construction in process	Total
Cost								
Beginning of year	\$ 19,045,733	\$ 4,787,107	\$ 48,468,059	\$ 8,564,725	\$ 6,393,396	\$125,419,886	\$ 3,487,208	\$216,166,114
Add additions	-	477,682	195	267,695	-	1,017,975	3,300,818	5,064,365
Add contributed tangible capital assets	16,208	861,560	-	-	-	3,215,140	-	4,092,908
Add transfer from assets held for sale	9,593	-	-	-	-	-	-	9,593
Less construction in process capitalized	-	-	-	-	-	-	(1,117,559)	(1,117,559)
Less disposals during the year	(139,997)	(453,133)	(997,274)	(15,692)	(25,899)	-	-	(1,631,995)
End of year	18,931,537	5,673,216	47,470,980	8,816,728	6,367,497	129,653,001	5,670,467	222,583,426
Accumulated amortization								
Beginning of year	-	1,735,235	6,060,930	5,150,134	4,601,761	65,638,994	-	83,187,054
Add amortization during the year	-	242,585	1,308,063	567,984	311,768	3,250,827	-	5,681,227
Less amortization on disposals	-	(96,408)	(997,285)	(15,680)	(25,144)	-	-	(1,134,517)
End of year	-	1,881,412	6,371,708	5,702,438	4,888,385	68,889,821	-	87,733,764
Net book value	\$ 18,931,537	\$ 3,791,804	\$ 41,099,272	\$ 3,114,290	\$ 1,479,112	\$ 60,763,180	\$ 5,670,467	\$134,849,662

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2020

	2019							
	Land	Land improvements	Buildings	Machinery, equipment, furniture, fixtures and computers	Vehicles	Linear assets	Construction in process	Total
Cost								
Beginning of year	\$ 19,045,733	\$ 3,938,360	\$ 48,492,300	\$ 7,910,276	\$ 6,406,143	\$120,769,320	\$ 6,042,765	\$212,604,897
Add additions	-	1,251,065	44,301	656,447	35,107	4,726,936	1,975,723	8,689,579
Less construction in process capitalized	-	-	-	-	-	-	(4,531,280)	(4,531,280)
Less disposals during the year	-	(402,318)	(68,542)	(1,998)	(47,854)	(76,370)	-	(597,082)
End of year	19,045,733	4,787,107	48,468,059	8,564,725	6,393,396	125,419,886	3,487,208	216,166,114
Accumulated amortization								
Beginning of year	-	1,541,884	4,756,451	4,613,254	4,321,883	62,135,607	-	77,369,079
Add amortization during the year	-	193,351	1,316,816	536,880	327,614	3,503,387	-	5,878,048
Less amortization on disposals	-	-	(12,337)	-	(47,736)	-	-	(60,073)
End of year	-	1,735,235	6,060,930	5,150,134	4,601,761	65,638,994	-	83,187,054
Net book value	\$ 19,045,733	\$ 3,051,872	\$ 42,407,129	\$ 3,414,591	\$ 1,791,635	\$ 59,780,892	\$ 3,487,208	\$132,979,060

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 3

For the Year Ended December 31, 2020

	2020							
	General government	Protection services	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenue								
Taxation	\$ 9,000,918	\$ 1,311,610	\$ 2,079,866	\$ -	\$ 2,043	\$ 3,132,902	\$ 197,296	\$ 15,724,635
User charges	29,101	647,257	30,736	5,304,335	27,023	828,621	301,678	7,168,751
Grants	1,794,349	10,100	2,140,374	-	-	141,867	23,889	4,110,579
Contributions from developers	-	34,009	1,366,831	334,492	-	278,462	69,423	2,083,217
Contributed tangible capital assets	4,092,908	-	-	-	-	-	-	4,092,908
Other	295,806	53,477	331,433	42,320	87,986	74,018	5,168	890,208
Equity earnings in subsidiary	99,113	-	-	-	-	-	-	99,113
Gain (loss) on disposal of tangible capital assets and assets held for sale	4,498,200	-	(19,772)	(14,747)	-	1,945,112	(14,653)	6,394,140
Total revenues	19,810,395	2,056,453	5,929,468	5,666,400	117,052	6,400,982	582,801	40,563,551
Expenses								
Salaries and wages	1,903,169	1,257,830	1,127,859	1,234,730	86,318	2,514,028	492,428	8,616,362
Long term debt interest	-	34,660	172,877	20,146	-	692,924	8,634	929,241
Materials	1,139,892	198,453	629,336	316,971	4,995	915,634	27,687	3,232,968
Contracted services	770,204	168,299	1,291,081	2,833,288	14,204	565,076	10,482	5,652,634
Rents & financials	22,953	-	104,665	-	-	69,009	-	196,627
External transfers to others	11,791	-	-	-	-	-	-	11,791
Amortization of tangible assets	102,165	397,211	2,603,650	878,785	11,535	1,644,311	43,570	5,681,227
	3,950,174	2,056,453	5,929,468	5,283,920	117,052	6,400,982	582,801	24,320,850
Annual surplus	\$ 15,860,221	\$ -	\$ -	\$ 382,480	\$ -	\$ -	\$ -	\$ 16,242,701

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 3

For the Year Ended December 31, 2020

	2019							
	General government	Protection services	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenue								
Taxation	\$ 4,946,164	\$ 1,098,221	\$ 2,897,648	\$ -	\$ 22,686	\$ 5,005,228	\$ 372,102	\$ 14,342,049
User charges	28,602	736,708	66,083	4,431,348	38,451	1,078,878	196,894	6,576,964
Grants	46,600	5,000	1,549,593	164,441	-	146,578	-	1,912,212
Contributions from developers	-	34,118	1,505,529	308,477	-	244,796	75,434	2,168,354
Other	344,709	86,099	469,958	35,994	55,878	362,848	6,719	1,362,205
Equity earnings in subsidiary	63,059	-	-	-	-	-	-	63,059
Gain on disposal of tangible capital assets and assets held for sale	4,141,827	-	(6,821)	(76,371)	-	(113,271)	-	3,945,364
Total revenues	9,570,961	1,960,146	6,481,990	4,863,889	117,015	6,725,057	651,149	30,370,207
Expenses								
Salaries and wages	1,969,667	1,187,170	1,076,037	1,205,988	89,023	2,580,751	392,495	8,501,131
Long term debt interest	-	39,858	175,570	25,542	-	687,095	9,642	937,707
Materials	928,866	149,742	700,116	285,577	9,335	1,052,178	216,926	3,342,740
Contracted services	422,594	192,317	1,505,246	2,504,450	7,121	506,102	12,861	5,150,691
Rents & financials	27,330	-	128,186	-	-	281,975	-	437,491
External transfers to others	23,668	-	-	-	-	-	-	23,668
Amortization of tangible assets	100,105	391,059	2,896,835	842,332	11,536	1,616,956	19,225	5,878,048
	3,472,230	1,960,146	6,481,990	4,863,889	117,015	6,725,057	651,149	24,271,476
Annual surplus	\$ 6,098,731	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,098,731

Independent Auditor's Report

To the Members of Council of the
Corporation of the Town of Pelham

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Corporation of the Town of Pelham Trust Funds (the "Trust Funds"), which comprise the statement of financial position as at December 31, 2020, and the statements of revenue and expenses and change in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2020, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 17, 2021

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Financial Position

As at December 31, 2020

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2020	Total 2019
Assets					
Cash	\$ 790,117	\$ 142,931	\$ 79,688	\$ 1,012,736	\$ 177,635
Receivables and accrued interest	248	73	-	321	2,872
Investments (Note 2)	-	-	17,194	17,194	830,282
Due from the Town of Pelham (Note 3)	19,295	-	-	19,295	2,799
	809,660	143,004	96,882	1,049,546	1,013,588
Liability					
Due to the Town of Pelham (Note 3)	-	-	389	389	21,910
Fund balance	\$ 809,660	\$ 143,004	\$ 96,493	\$ 1,049,157	\$ 991,678

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Revenue and Expenses and Change in Fund Balances

Year ended December 31, 2020

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2020	Total 2019
Revenue					
Interest	\$ 14,435	\$ 1,367	\$ 1,531	\$ 17,333	\$ 20,674
Realized gain	-	-	291	291	302
Donations	-	-	22,484	22,484	23,281
Marker fees	2,900	-	-	2,900	2,850
Plot sales	30,830	-	-	30,830	15,964
	48,165	1,367	24,306	73,838	63,071
Expenses					
Purchase of equipment, books, periodicals and misc	-	-	1,924	1,924	22,635
Maintenance	14,435	-	-	14,435	16,015
	14,435	-	1,924	16,359	38,650
Excess of revenues over expenses	33,730	1,367	22,382	57,479	24,421
Fund balance, beginning of year	775,930	141,637	74,111	991,678	967,257
Fund balance, end of year	\$ 809,660	\$ 143,004	\$ 96,493	\$ 1,049,157	\$ 991,678

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Notes to the Financial Statements

December 31, 2020

1. Accounting policies

The financial statements of the Corporation of the Town of Pelham Trust Funds are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Significant aspects of the accounting policies adopted are as follows:

(a) Basis of accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable.

(b) Investments

Investments are recorded at cost.

(c) Financial instruments

Cash, due to Town of Pelham and due from the Town of Pelham are recorded at amortized cost.

(d) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from those estimates.

2. Investments

The total for investments by the trust funds of \$17,194 (2019 - \$830,282) reported on the statement of financial position at cost, have a market value of \$17,194 (2019 - \$830,282) at the end of the year.

3. Due to/from Town of Pelham

The amounts due to/from the Town of Pelham are unsecured, interest bearing with no specific terms of repayment.

4. Statement of cash flows

A statement of cash flows has not been provided as the related information is readily determinable from the financial statements presented.

STATISTICAL REVIEW



**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

General Statistics

	2020	2019	2018	2017	2016
Households*	7,287	7,104	7,064	6,977	6,882
Population**	17,110	17,110	17,110	15,641	15,654
Municipal Workforce Profile					
Full-time Positions	76	74	69	60	66
Part-time Positions	36	37	27	16	12
Seasonal Employees	45	52	54	47	49
Number of Building Permits Issues	286	235	280	476	407
Total Value of Building Permits Issued	\$ 62,695,313	\$ 43,337,503	\$ 68,647,113	\$ 104,245,493	\$ 126,872,861

*Source: MPAC

**Source: Statistics Canada 2018-2020, MPAC 2016-2017

All other data on this page as per the Town's Financial Information Return

(Unaudited)

Taxation Statistics

	2020	2019	2018	2017	2016
Taxable Assessment					
Residential	2,555,511,770	2,409,606,273	2,291,395,631	2,159,252,964	2,068,323,217
Multi-Residential	17,693,000	17,587,500	17,482,000	17,376,500	18,609,000
New Multi-Residential	544,000	544,000	-	-	-
Commercial	90,345,386	87,823,350	80,870,766	69,478,193	67,849,061
Commercial On-Farm Business	4,700	-	-	-	-
Commercial Excess/Vacant	1,998,111	2,970,845	3,150,670	4,226,954	4,382,972
Industrial	3,998,000	2,968,951	2,919,272	3,812,348	3,663,597
Industrial On-Farm Business	50,000	-	-	-	-
Industrial Excess/Vacant	146,100	132,825	119,550	110,525	93,000
Pipeline	17,467,000	16,854,093	16,213,500	15,421,250	14,900,000
Farmland	169,321,433	157,009,692	143,204,190	131,658,899	124,200,753
Managed Forest	2,897,100	2,701,293	1,961,922	1,774,825	1,748,200
Total Taxable Assessment	2,859,976,600	2,698,198,822	2,557,317,501	2,403,112,458	2,303,769,800
Tax Levy					
Town of Pelham	\$ 14,946,495	\$ 13,674,374	\$ 12,530,627	\$ 11,791,257	\$ 11,063,305
Niagara Region	17,721,535	16,366,191	15,584,260	14,977,327	14,546,094
Education	5,131,790	5,116,884	5,109,284	5,011,531	5,051,132
Total Levy	\$ 37,799,820	\$ 35,157,449	\$ 33,224,171	\$ 31,780,115	\$ 30,660,531
Current Year's Tax Collections*	\$ 36,596,141	\$ 34,245,293	\$ 32,285,504	\$ 30,973,033	\$ 29,777,106
Total Arrears	\$ 1,967,288	\$ 1,751,162	\$ 1,761,963	\$ 1,791,341	\$ 2,210,469
Total Arrears as a Percentage of Current Tax Levy	5.2%	5.0%	5.3%	5.6%	7.2%

Top Ten Largest Corporate Property Taxpayers in 2020

FONTHILL GARDENS INC
PELHAM PORTFOLIO INC
NIAGARA PROPERTY INVESTMENTS INC
968502 ONTARIO INC
4 HIGH STREET INC
2004424 ONTARIO INC
2385746 ONTARIO INC
FONTHILL PROPERTIES ULC
1254392 ONTARIO LIMITED
2772033 ONTARIO INC

% Of Total Industrial and Commercial Assessment 40.4%
% of Total Taxable Assessment 1.3%

*Current Year's Tax Collections represents the cash collections for the year excluding adjustments, payments in lieu of taxes and supplementary assessments.

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

Consolidated Statement of Financial Position

	2020	2019	2018	2017	2016
Financial Assets					
Cash and cash equivalents	\$ 15,859,111	\$ 7,848,224	\$ 1,280,672	\$ 3,885,925	\$ 9,324,711
Taxes receivable	1,967,288	1,751,162	1,761,963	1,791,341	2,210,469
User charges receivable	800,453	684,278	613,935	597,267	592,086
Accounts receivable	4,315,848	5,012,259	5,735,179	6,512,813	6,753,703
Tangible capital assets held for sale	-	515,697	534,734	885,648	-
Investments in subsidiary	5,492,757	5,393,644	5,383,816	5,312,718	5,293,453
Total financial assets	28,435,457	21,205,264	15,310,299	18,985,712	24,174,422
Financial Liabilities					
Bank indebtedness	1,166,667	10,294,044	15,960,776	2,577,778	1,800,000
Accounts payable and accrued liabilities	5,676,918	4,726,141	3,922,388	9,633,723	7,712,420
Other Liabilities	2,214,306	1,998,225	2,089,727	1,718,632	1,429,957
Deposits and deferred revenue	790,484	851,502	547,392	651,775	1,864,319
Deferred revenue- obligatory reserve funds	3,227,028	3,981,023	3,833,187	3,840,767	3,398,984
Long-term debt	33,465,343	32,252,037	30,088,688	31,905,664	21,310,239
Employee benefit obligations	404,916	398,503	323,027	419,726	399,342
Total Financial Liabilities	46,945,662	54,501,475	56,765,185	50,748,065	37,915,261
Net financial assets (net debt)	(18,510,205)	(33,296,211)	(41,454,886)	(31,762,353)	(13,740,839)
Non-financial assets					
Tangible capital assets	134,849,662	132,979,060	135,235,818	125,637,896	104,132,637
Prepaid expenses	104,650	518,557	321,743	129,401	373,244
Total non-financial assets	134,954,312	133,497,617	135,557,561	125,767,297	104,505,881
Accumulated surplus	\$ 116,444,107	\$ 100,201,406	\$ 94,102,675	\$ 94,004,944	\$ 90,765,042

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

Statement of Financial Position Statistics

	2020	2019	2018	2017	2016
Acquisition of tangible capital assets, net of construction in process capitalized	\$ 3,946,806	\$ 4,158,299	\$ 15,675,398	\$ 27,281,339	\$ 15,761,806
Net Long-term Debt	\$ 33,465,343	\$ 32,252,037	\$ 30,088,688	\$ 31,905,664	\$ 21,310,239
Per Capita	\$ 1,956	\$ 1,885	\$ 1,759	\$ 2,040	\$ 1,361
Percentage of Town Tax Levy	223.9%	235.9%	240.1%	270.6%	192.6%
Long-term Debt					
Supported by Taxes	\$ 18,404,075	\$ 16,070,519	\$ 12,788,279	\$ 13,510,531	\$ 14,219,617
Supported by Non-tax Revenue	15,061,268	16,181,518	17,300,409	18,395,133	7,090,622
Net Long-term Liabilities	<u>\$ 33,465,343</u>	<u>\$ 32,252,037</u>	<u>\$ 30,088,688</u>	<u>\$ 31,905,664</u>	<u>\$ 21,310,239</u>
Debt Charges for the Year					
Principal Payments	\$ 2,236,694	\$ 1,855,006	\$ 1,816,976	\$ 1,543,167	\$ 1,901,299
Interest Charges	\$ 929,241	\$ 937,707	\$ 914,663	\$ 740,632	\$ 320,007
Annual Debt Repayment Limit, excluding Treasurer's Adjustments	\$ 2,278,215	\$ 2,587,339	\$ 3,475,545	\$ 3,013,683	\$ 2,916,140
Accumulated Surplus	\$ 116,444,107	\$ 100,201,406	\$ 94,102,675	\$ 94,004,944	\$ 90,765,042
Provincial Debt Repayment Limit as a % of Own-source Revenues	25%	25%	25%	25%	25%
Town Net Debt Charges as a % of Own-source Revenues (Existing Debt Only)	13%	13%	13%	12%	6%

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

Consolidated Statement of Operations

	2020	2019	2018	2017	2016
Revenue by Source					
Taxation	\$ 15,724,635	\$ 14,342,049	\$ 13,003,056	\$ 12,468,706	\$ 11,648,113
User charges	7,168,751	6,576,964	6,066,122	5,896,406	6,298,719
Grants	4,110,579	1,912,212	1,319,945	968,598	1,117,957
Contributions from developers	2,083,217	2,168,354	2,118,168	3,061,990	1,352,815
Contributed tangible capital assets	4,092,908	-	136,505	-	4,928,757
Other	890,208	1,362,205	1,519,085	1,201,394	819,533
Equity earnings in subsidiary	99,113	63,059	123,087	71,012	91,166
Gain on disposal of tangible capital assets and assets held for sale	6,394,140	3,945,364	295,500	434,599	11,527
Total revenue by source	40,563,551	30,370,207	24,581,468	24,102,705	26,268,587
Expense by Function					
General government	3,950,174	3,472,230	3,520,358	3,938,935	3,364,145
Protection to persons and property	2,056,453	1,960,146	1,912,943	1,946,632	1,918,954
Transportation services	5,929,468	6,481,990	6,821,947	5,945,354	5,966,156
Environmental services	5,283,920	4,863,889	5,373,591	4,419,347	4,623,560
Health services	117,052	117,015	114,074	125,306	123,481
Recreation and culture services	6,400,982	6,725,057	6,155,062	3,911,721	3,340,816
Planning and development	582,801	651,149	585,762	575,508	466,160
Total expenses by function	24,320,850	24,271,476	24,483,737	20,862,803	19,803,272
Annual Surplus	16,242,701	6,098,731	97,731	3,239,902	6,465,315
Accumulated surplus, beginning	100,201,406	94,102,675	94,004,944	90,765,042	84,299,727
Accumulated surplus, ending	\$ 116,444,107	\$ 100,201,406	\$ 94,102,675	\$ 94,004,944	\$ 90,765,042
Analysis of Expenses by Object					
Salaries and Wages	\$ 8,616,362	\$ 8,501,131	\$ 7,969,184	\$ 8,058,986	\$ 7,621,463
Long term debt interest	929,241	937,707	914,663	740,632	320,007
Materials	3,232,968	3,342,740	3,699,352	2,613,257	2,552,918
Contracted services	5,652,634	5,150,691	5,719,633	4,519,006	4,528,841
Rents & Financials	196,627	437,491	386,651	92,946	19,842
External transfers to others	11,791	23,668	23,002	44,546	56,328
Amortization of tangible assets	5,681,227	5,878,048	5,771,252	4,793,430	4,703,873
Total expenses by object	\$ 24,320,850	\$ 24,271,476	\$ 24,483,737	\$ 20,862,803	\$ 19,803,272



Information on the Town of Pelham is available at:

www.pelham.ca

Direct any inquiries regarding this document to:

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